

CURRENT HISTORY

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APRIL, 1984

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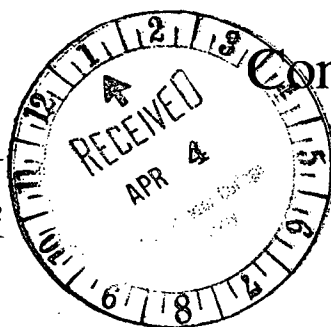
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Current History

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In this issue, the economic policies and political differences in seven European countries are discussed. The divisive questions that surround the deployment of new missiles in Europe are examined in our lead article, which points out that "preoccupation with the missile question overwhelmed all other security concerns in West Europe in 1983"

European-American Relations and NATO's Initial Missile Deployments

BY DAVID S. YOST

Associate Professor of International Relations, U.S. Naval Postgraduate School, Monterey, California

IN November, 1983, the North Atlantic Treaty Organization (NATO) deployed the first United States land-based missiles since the 1960's capable of reaching the Soviet Union from European soil.* Britain and Italy each accepted 16 ground-launched cruise missiles (GLCM's); West Germany received 9 Pershing 2 ballistic missiles. These initial deployments came almost four years after NATO governments agreed (in December, 1979) on deployment plans coupled with arms control proposals to the Soviet Union, and followed two years of arms control negotiations.

Preoccupation with the missile question overwhelmed all other security concerns in West Europe in 1983. French President François Mitterrand called it "the most serious crisis the world has known since the Cuba and Berlin crises." Such comparisons seemed doubtful to some observers, given the long duration of the missile deliberations, the lack of a specific flashpoint issue that could lead to war, and the continuous dialogue between the United States and the Soviet Union in arms control negotiations.

NATO's December, 1979, decision had stemmed directly from West European concerns about the Soviet Union's improving offensive nuclear capabilities. Soviet propaganda has portrayed it as an American idea forced upon reluctant European governments. But in fact the Federal Republic of Germany played a leading role at the May, 1977, summit in urging NATO to respond to the

emerging Soviet SS-20 missile program. Recently, Italian Defense Minister Giovanni Spadolini underlined his country's support in 1978 and 1979 for the West German initiative, noting that American leaders at the time were "hostile or lukewarm."

United States officials and experts had several misgivings about the West European proposal. For example, were NATO missiles really necessary, given the possibility of using strategic systems in the United States or at sea for some missions? Could European governments sustain a decision to deploy new missiles? Should cruise missile technology be controlled permanently, as perhaps technology for multiple independently targeted reentry vehicles (MIRV's) should have been? After long analysis in NATO's High Level Group, however, the United States, Canada and West European governments concurred that new land-based United States missiles in Europe were desirable to prevent possibly dangerous Soviet misperceptions.

Europeans were concerned that Soviet misperceptions could arise because of the simultaneous buildup of Soviet strategic and theater nuclear capabilities. Soviet strategic nuclear capabilities were largely matched by those of the United States, and bilateral limitations were determined in the Strategic Arms Limitation Talks (SALT). In the words of West German Chancellor Helmut Schmidt in 1977,

SALT neutralizes their strategic nuclear capabilities. In Europe this magnifies the significance of the disparities between East and West in nuclear tactical and conventional weapons.¹

Concurrent improvements in Soviet regional nuclear systems were unrestrained by SALT. Thus Soviet leaders

*The views expressed in this article are those of the author alone, and should not be construed to represent those of the Department of the Navy or any other United States government agency.

¹Helmut Schmidt, "The 1977 Alastair Buchan Memorial Lecture," *Survival*, vol. 20 (January/February, 1978), pp. 3-4.

might reason that, given the Soviet-American stalemate in intercontinental delivery systems, their great and growing regional nuclear superiority would allow them in effect to blackmail West Europe.

Of all the new Soviet nuclear strike systems, most attention focused on the SS-20. The first SS-20 tests were observed in 1974, and deployments began in 1977. Although the Soviet Union has described the SS-20 as simply a replacement for the older SS-4 and SS-5 intermediate-range missiles, the SS-20 is superior to the older systems in several respects. The SS-20 has multiple warheads (3 warheads per missile of up to 150 kilotons in yield each); mobility (which means enhanced survivability prospects); greater responsiveness (owing to improved communications and solid fuel propellants); greater accuracy and range (which means more extensive and more discriminate targeting options); and reloadability (the launcher can be reused with reload missiles, and each launcher has at least one reload).

The SS-20 can strike any target in Europe—or anywhere else in North Africa and in Eurasia as a whole, given its 5,000-kilometer (km) range. (The SS-20 is capable of even greater ranges with reduced throw-weight.) While Western observers commonly estimate that two-thirds to three-fourths of the SS-20 force is dedicated to European contingencies with the balance for Asia, the SS-20's mobility and range make some of the supposedly "Asian" SS-20's available for use in Europe and vice versa.

The last United States land-based missiles capable of reaching the U.S.S.R. from Europe (96 Mace B cruise missiles based in West Germany) were withdrawn by 1969. The only previous land-based United States ballistic missiles in Europe of comparable range—60 Thors in Britain and 45 Jupiters in Italy and Turkey—were withdrawn by 1963. These systems were withdrawn largely because the United States considered them temporary expedients pending a buildup of intercontinental systems. In October, 1979, Schmidt declared that in retrospect this withdrawal "was a wrong step. They should have been modernized rather than dismantled."

Soviet regional nuclear superiority could no longer be offset by United States intercontinental superiority, because United States superiority had been erased by Soviet force programs during the SALT process of the 1970's. NATO governments concluded, however, that United States land-based missiles in Europe could still serve as links to United States intercontinental systems, "conspicuously coupling Europe to the strategic nuclear arsenal of the United States."² This would demonstrate

to the Soviet Union that it could not hope to limit a war to Europe or even threaten West Europe without running the risk of initiating an intercontinental nuclear war with the United States.

NATO'S ARMS CONTROL EFFORTS

In importance, the arms control part of the "two-track" decision was equal to the deployment plan. In contrast to the Soviet Union, which has never offered to negotiate about nuclear delivery systems before deploying them, NATO announced its deployment plans four years in advance in considerable detail, and offered not to deploy the missiles if the Soviet Union would accept an arms control arrangement eliminating the threat that made the NATO deployment plans necessary. To further demonstrate its preference for an arms control solution and its determination not to aggravate tensions in Europe, NATO's December, 1979, decision provided for the withdrawal of 1,000 United States nuclear warheads from Europe (which was completed in 1980) and a commitment to withdraw a nuclear warhead for each new one deployed as a part of its missile programs. As a result, there will be no increase in the United States nuclear stockpile in Europe beyond the new and reduced ceiling, even if NATO deploys all 572 missiles scheduled for the 1983-1988 period.³ Indeed, the ceiling for the United States nuclear stockpile in Europe will decline to the lowest level in over 20 years as a result of NATO's October, 1983, decision to withdraw 1,400 more warheads over the next five to six years.

Although there were preliminary United States-Soviet meetings in October and November, 1980, the change of administration in the United States in January, 1981, and the subsequent review of United States policy delayed the initiation of formal negotiations to November, 1981. NATO identified two types of intermediate-range nuclear forces (INF): shorter-range INF, with ranges between 150 and 1,000 km, like the Soviet SS-22 and SS-23 and the United States Pershing 1A; and longer-range INF (LRINF), with ranges between 1,000 and 5,500 km, beyond which the delivery systems would be considered intercontinental. NATO held that, while collateral constraints on shorter-range INF would be necessary, the more urgent task was to limit longer-range INF missiles as the most obviously destabilizing systems; these were far more readily susceptible to arms control than aircraft capable of carrying conventional as well as nuclear weapons to varying ranges with different flight profiles.

From November 18, 1981, to March 30, 1983, NATO's arms control proposal was the "zero option": that is, no Pershing 2's or GLCM's would be deployed if the U.S.S.R. dismantled its SS-4's, SS-5's, and SS-20's. On March 30, 1983, United States President Ronald Reagan announced that NATO would also be prepared to accept equal deployments at lower levels. The criteria for such an "interim agreement" would be the equality of rights

²White Paper 1983: *The Security of the Federal Republic of Germany* (Bonn: Federal Minister of Defence, 1983), p. 212.

³The 464 GLCM's, with a range of 2,500 km, are to be deployed as follows: 160 in Britain, 112 in Italy, 96 in West Germany, and 48 each in Belgium and the Netherlands. All 108 Pershing 2's, with a range of 1,800 km, are to be deployed in West Germany.

and limits between the United States and the Soviet Union, no inclusion of or compensation for third-country systems, global rather than regional limitations, and verifiability.** On September 26, 1983, President Reagan specified three further points regarding the interim agreement approach: first, the global limits on Soviet INF missiles would not be entirely matched by United States deployments in Europe, which would in effect be limited by a subceiling, though the United States would retain a nominal right to deploy an equal number of missiles elsewhere; second, the United States would be willing to discuss limits on INF aircraft as well as missiles; and third, in the context of reductions to equal levels, the United States would reduce the number of Pershing 2's as well as GLCM's to be deployed in Europe.

All these adjustments in the United States negotiating position were made in response to allied assessments of Soviet concerns. For example, because the Soviets indicated particular concern regarding the Pershing 2's, it was specified that Pershing 2 reductions would be proportional with whatever lower and identical ceiling the Soviet Union approved. In the same spirit, after Soviet President Yuri Andropov raised the possibility of reducing Soviet SS-20 deployments in Europe to 420 warheads on 140 SS-20 launchers in October 1983, in November, 1983, the United States proposed an equal global ceiling of 420 warheads on LRINF and renewed its willingness to consider even lower equal ceilings. (The NATO position remains one of seeking the "zero option" as the ideal outcome, in that this entire category of nuclear delivery systems would be eliminated on both sides.)

In addition to these proposals, which were formally presented at the negotiations in Geneva, the chief United States negotiator, Paul Nitze, worked with Soviet negotiator Yuli Kvitsinsky in July, 1982, to reach the so-called "walk in the woods" formula that would have limited each side to 225 LRINF missile launchers and aircraft in Europe, with a subceiling for each side of 75 missile launchers and with the United States restricted to cruise missiles; only 90 LRINF missile launchers in the eastern

**Ed. Note: For excerpts from these two proposals, see *Current History*, May, 1983, pp. 222, 234.

⁴The most detailed and authoritative unclassified account of the INF negotiations is the document made public by NATO's Special Consultative Group on December 8, 1983, *INF: Progress Report to Ministers*, available on request from the United States Arms Control and Disarmament Agency. Strobe Talbott provides an informative journalistic account in *Time*, December 5, 1983, pp. 18-37. Soviet INF negotiator Yuli Kvitsinsky has noted that the Reagan administration's INF "position was essentially a repetition of the proposals submitted by the Carter Administration in fall 1980." *The New York Times*, January 12, 1984, p. 25.

⁵For details see Gerhard Wettig, "The Soviet INF Data Critically Reviewed," *Aussenpolitik*, vol. 34, no. 1 (1983), pp. 30-42. See also J.J. Martin, "How the Soviet Union Came to Gain Escalation Dominance: Trends and Asymmetries in the Theater Nuclear Balance," in Uwe Nerlich, ed., *The Soviet Asset: Military Power in the Competition over Europe* (Cambridge, Mass.: Ballinger Publishing Co., 1983).

Soviet Union would have been permitted. Despite rejection of certain features of the formula (reportedly the abandonment of the Pershing 2 in particular), the United States government authorized Nitze to continue the informal conversations, which were brought to an end by the Soviet negotiators in September, 1982.⁴

SOVIET NEGOTIATIONS POLICY

A basic difference between the Soviet and United States approaches was that the U.S.S.R. continued to deploy relevant systems, notably the SS-20, throughout the INF negotiations. In December, 1979, 140 SS-20 launchers with 420 warheads were operational (not counting reload missiles). By January, 1984, 378 SS-20 launchers with 1,134 warheads (again, not counting reloads) were ready; 78 SS-20 launchers were added after the Soviet Union declared a (fictional) unilateral moratorium in March, 1982. The number of SS-20 reload missiles manufactured during the negotiations is unknown.

The Soviet proposal of February, 1982, provided for a two-phase limitation on longer-range INF deployed in Europe or "intended for use" in Europe, to be completed by 1990, in which each side would reduce its arsenal to 300 systems (aircraft and missile launchers) and would observe a deployment moratorium in Europe during the negotiations. This offer had at least four major flaws: first, it assumed an existing balance of approximately 1,000 INF on each side, excluding Soviet systems comparable to the included United States systems, and otherwise distorting reality;⁵ second, it included British and French systems with United States totals; third, it sought not only to prohibit the projected deployments of Pershing 2's and GLCM's but to force the withdrawal of most other United States "forward-based systems" in Europe; and fourth, it would not have required the elimination of a single SS-20 launcher and would have permitted unlimited missile reload manufacture and unlimited SS-20 deployments east of the Urals. Since the Soviet Union attributed 255 longer-range INF to Britain and France as part of United States totals, the United States would have been allowed only 45 longer-range INF systems in Europe; since most of these so-called "forward-based systems" are aircraft capable of carrying conventional as well as nuclear arms, NATO's deterrence and defense capabilities would have been weakened in both conventional and nuclear terms.

In December, 1982, the Soviet Union proposed again that no Pershing 2's or GLCM's be deployed, in return for which the Soviet Union would limit its SS-20 launchers in Europe to no more than the 162 deemed equivalent to British and French missiles. Allied governments rejected this "third country compensation" argument for nine basic reasons:

- (1) The SALT record shows no mutually agreed precedent for counting the forces of third parties in these bilateral Soviet-American negotiations.

(2) Britain and France refuse to permit their forces to be taken into account in a bilateral United States–Soviet negotiation, although they have indicated that they would be prepared to enter negotiations as parties in their own right after the satisfaction of certain conditions, including significant reductions in superpower nuclear forces.⁶

(3) The United States does not control British or French forces, and has no operational release authority over them.

(4) British and French forces are central systems intended to provide an ultimate deterrent against Soviet nuclear strikes directed at Britain and France; they could never plausibly be used for limited strikes against the Soviet Union, given the magnitude of Soviet nuclear superiority.

(5) The Soviet INF proposal equating British and French missiles with SS–20's intended for use in Europe deliberately overlooks hundreds of comparable missiles on the Soviet side, to say nothing of Soviet aircraft, ICBM's and submarine-launched ballistic missiles (SLBM's) usable against Britain and France.

(6) British and French forces cannot replace United States forces as a guarantee for the Federal Republic of Germany and other nonnuclear members of NATO in West Europe. Only United States nuclear forces in Europe can provide a link with American strategic nuclear forces.

(7) The ultimate intention of the Soviet Union appears to be to negotiate a new structure of European security, in which Soviet regional hegemony will be inevitable and will be conceded in the balance of forces. After the removal of United States intermediate-range nuclear forces from Europe, Soviet leaders have declared themselves willing to negotiate the elimination of British and French nuclear forces as well. This would mean that no nuclear obstacles to Soviet dominance would remain in Europe.

(8) The premise of the Soviet argument for "equality and equal security" ultimately amounts to an attempt to negotiate a new structure of global security, in which the Soviet Union would be accorded the right to strategic nuclear equality with the combined arsenals of the United States, Britain, France, and China.

(9) Raising the British and French forces as an issue is intended to distract public attention from the magnitude of Soviet superiority in INF and to promote discord in the West by portraying Britain and France as the obstacles to an arms control agreement.

There have been some superficial amendments in Soviet proposals since February, 1982, including Andropov's December, 1982, initiatives, the May, 1983, proposal to make warheads-on-launchers the unit of account, the August and October, 1983, proposals implying a willingness to destroy some SS–20 launchers (but not missiles), and the November, 1983, proposal (since disavowed) to reduce Soviet INF in Europe by 572 warheads. Yet there has been no substantial change in

⁶On the British position, see the article by Roy Dean, the director of the Foreign Office's Arms Control and Disarmament Research Unit, "The British Nuclear Deterrent and Arms Control," *The World Today*, vol. 39 (September, 1983); on the French position, see the article by French Minister of Defense Charles Hernu, "Equilibre, dissuasion, volonté: la voie étroite de la paix et de la liberté," *Défense Nationale*, vol. 39 (December, 1983), p. 15.

⁷See *INF: Progress Report to Ministers*, pp. 3, 41–42.

⁸For a well-documented analysis, see Charles A. Sorrels, *Soviet Propaganda Campaign Against NATO* (Washington, D.C.: United States Arms Control and Disarmament Agency, 1983).

the Soviet negotiating position. All Soviet INF proposals since October, 1979, have been aimed at reducing the credibility of United States guarantees to allies by banning the Pershing 2–GLCM deployment, expelling almost all intermediate-range nuclear forces from Europe, and negotiating a permanent ceiling or ban on future INF deployments by NATO. In contrast, Soviet INF systems—notably LRINF missiles—could be modernized and increased in number, and West Europe would find growing Soviet INF superiority sanctioned by international treaty.

At the same time, Soviet propaganda in the West has been so effective that many nonexpert observers have the impression that the Soviet Union was flexible in the negotiations and was even willing to bargain away vital Soviet capabilities. In this respect, it would be more precise to note that the Soviet willingness to reduce SS–20 capabilities was limited to numbers of launchers and did not extend to numbers of *missiles*. This was noted repeatedly by NATO's Special Consultative Group, which reported that Soviet leaders:

continue to refuse to consider missile inventory limits or to curb production of missiles.... Thus, even though the Soviets have stated that they would be ready to dismantle or destroy one missile associated with each launcher made excess by an agreement, nothing in their position would prevent them from producing and stockpiling (for use as refires) an unlimited number of new LRINF missiles.⁷

Soviet propaganda often contended that the Pershing 2's and GLCM's of the NATO plan would be able to strike the Soviet homeland and were hence unacceptable, while its SS–20's and other INF did not threaten the United States homeland. The Soviet argument obscured the fact that the Soviet Union refuses to face a threat from West Europe analagous to the threat the U.S.S.R. poses to all Eurasia.⁸

NEGOTIATIONS IN SUSPENSION

The Soviet Union suspended its participation in the INF negotiations on November 23, 1983, the day the first Pershing 2's were deployed in West Germany. Given the continuous deployment of SS–20's during the negotiations, NATO governments found the Soviet decision unjustified as well as unfortunate, and affirmed NATO's willingness to resume negotiations as soon as possible.

On November 24, Andropov announced that Soviet retaliation for the initiation of NATO INF deployments would include abrogation of the March, 1982, voluntary

(Continued on page 184)

David S. Yost is the author of *European Security and the SALT Process* (Beverly Hills: Sage Publications, 1981) and editor of *NATO's Strategic Options: Arms Control and Defense* (New York: Pergamon Press, 1981). His study, *France's Deterrent Posture and Security in Europe*, is to be published soon by the International Institute for Strategic Studies, London.

Although the 1983 national elections focused on the domestic economy rather than the deployment of intermediate-range nuclear missiles in West Germany, "whether new strains between the United States and West Germany will emerge . . . remains to be seen. Even though Kohl is making overtures to East Germany and other Soviet bloc countries . . . it is doubtful that the resurgent patriotism, neutralism and anti-Americanism visible on the West German political horizon will have any serious effect on the Kohl government's support of a strong Atlantic Alliance."

A New Era in West Germany

BY GERARD BRAUNTHAL

Professor of Political Science, University of Massachusetts, Amherst

THE bonds cementing West German and United States relationships were reaffirmed with much fanfare in 1983 when both countries commemorated the 300th anniversary of the arrival of the first German settlers in Pennsylvania. In the period since 1633 these 33 Mennonite farmers have been followed by waves of 60 to 70 million German emigrants. Their descendants constitute more than 26 percent of all United States citizens. Among the many celebrations in 1983 was the visit of Vice President George Bush to Krefeld, from where the first settlers had departed, and German President Karl Carstens's state visit to the United States. Yet the celebrations did not mean that the relationship between the two countries was entirely free of discord even though in both nations conservative governments were in power.

In West Germany, the major conservative parties, the Christian Democratic Union (CDU) and its Bavarian ally, the Christian Social Union (CSU), regained power on October 1, 1982, having occupied the opposition benches in Parliament for 13 years. On October 1, a Social Democratic party (SPD) government led by Chancellor Helmut Schmidt resigned before completing its term of office in the wake of serious differences on economic policy with its coalition partner, the small, liberal Free Democratic party (FDP).

Helmut Kohl, CDU chairman and former Minister President of the state of Rhineland-Palatinate, became the new Chancellor. He formed a coalition government with the FDP, whose leaders had little difficulty throwing their support behind a party whose economic policies were more in tune with their own views than those of the SPD. Thus, in this political game of musical chairs, the SPD moved into opposition while the FDP remained in power as the junior partner of the CDU/CSU. The new government announced that it would pursue a more conservative policy in domestic affairs but maintain continuity in foreign affairs. It called on all sectors of the population to make sacrifices to help solve West Ger-

many's serious economic problems, especially the unemployment of 2 million (10.2 percent of the working population). It favored some tax cuts starting in 1984 to provide relief for small businesses and to facilitate capital formation by employees, planned to make selected cuts in the extensive social welfare network, and prepared a program to provide more apprenticeship opportunities for youth. These domestic programs presaged a shift in emphasis from the Keynesian pump-priming approach to fight the recession undertaken by the previous SPD-led government. Chancellor Kohl set March 6, 1983, as the date for a national election, having found a constitutional way to schedule it before the normal four-year legislative term ended in 1984. He deliberately lost a vote of confidence in the Bundestag (the lower house of Parliament) by having CDU/CSU and FDP deputies abstain from voting—in order to give Federal President Carstens an opportunity to dissolve the Bundestag and clear the way for the election.

He sought a mandate from the voters who did not have a say in the sudden shift of power from the SPD to the CDU/CSU in October, 1982. Although he could have scheduled an election soon after October he delayed it until March in order to give the FDP an opportunity to improve its image, which had been tarnished by the initiative it had taken in breaking up its coalition with the popular Chancellor Schmidt. Kohl preferred a renewed coalition with the FDP after the March election rather than a CDU/CSU government without a coalition partner in order to prevent his rival, Franz Josef Strauss, the chairman of the Bavarian CSU, from gaining a Cabinet seat. He considered Strauss a liability in any Cabinet post; the Bavarian leader had made too many enemies in earlier CDU/CSU governments and had not garnered enough votes for the CDU/CSU as the party's Chancellor-candidate in the 1980 national election to beat the SPD-FDP governing parties.

The SPD would have preferred an immediate election in the wake of its ouster from power in October, 1982. It

wanted to capitalize on the continuing popularity of Schmidt, who had scored electoral victories as Chancellor in 1976 and 1980. If an election had been held in October as demanded by the SPD, Schmidt's expected candidacy would have helped the party despite the none too impressive record it set in the Cabinet from 1980 to 1982. (Its record as a party of domestic reforms was more successful in the early years, 1969–1974, of its governance.)

Once Kohl postponed the election until 1983 Schmidt withdrew his name as a candidate for Chancellor, because he did not want to become a losing candidate if his party could not find a suitable coalition partner. The FDP was ruled out because it committed "treason" in abandoning its alliance with the SPD. Only the Greens, the new environmentalist party that had gained representation in six of the eleven state parliaments, remained as a possible coalition partner. But Schmidt, a spokesman of the right wing in the SPD, had too many policy differences with the Greens to consider inviting them into a government. He disagreed strongly with their opposition to nuclear energy plants and to the stationing of nuclear weapons in West Germany.

Once Schmidt stepped down, SPD leaders chose Hans-Jochen Vogel as the party's candidate. The 56-year-old former Cabinet member and mayor of Munich and West Berlin was a capable administrator and party leader who had moved from the party's right wing to the center. In West Berlin he had shown an ability to ease the intraparty factional disputes between the left and right wings.

THE CAMPAIGN

The short winter campaign produced the expected rhetorical bombast from all parties. But there was also unusual meddling in the country's electoral contest by key foreign powers once the nuclear arms debate became an important campaign issue. The debate centered on the North Atlantic Treaty Organization's (NATO) decision in 1979 to deploy United States intermediate-range nuclear missiles in West Europe, including 108 Pershing 2 and 96 cruise missiles in the Federal Republic. NATO leaders, concerned about the growing Soviet arsenal of SS-20 missiles, intended to begin Western missile deployment by December, 1983, unless the United States and the Soviet Union had reached a satisfactory settlement of the issue in their talks at Geneva.

CDU/CSU and FDP leaders pledged their full support to the United States position. They backed United States President Ronald Reagan's so-called zero option introduced in the Geneva arms talks under which the United States would give up its deployment plans if the Soviet Union would dismantle all its medium-range missiles. SPD leaders made their support of the NATO position conditional on the seriousness and progress of the Geneva negotiations. If the Americans showed flexibility and the Soviets showed none at Geneva then the SPD would

support the deployment of missiles in West Germany. This ambiguous position was the result of a deep schism within the party: the right wing had fully backed Schmidt's initiative in 1979 to allow deployment, but the left wing viewed deployment as another spiral in the dangerous arms race between the superpowers. The CDU/CSU exploited this schism within the SPD and accused it of following a neutralist course. Similar accusations were made against the Greens, who were fully opposed to deployment.

The foreign powers wanted to strengthen the position of the parties whose views on missiles coincided with their own. United States Vice President George Bush and French President François Mitterrand paid visits to Bonn to underscore their support for the missile position of the governing coalition while Soviet Foreign Minister Andrei Gromyko came to Bonn to defend the missile position of the Soviet Union, which categorically opposed any new Western deployment. President Reagan, who favored a CDU/CSU victory, told a news conference that it would be a "terrible setback" if the West Germans elected a government (read SPD) that was not willing to deploy the NATO missiles should the Geneva talks remain stalemated. To soften the effect of foreign interference in the election, SPD leader Vogel introduced the nationalist theme "in the German interest" into his speeches.

He had difficulty countering another interference in the election. West German businessmen, believing that an SPD-led government would not generate an economic recovery justifying new investments and would provoke a flight of capital from Germany, were putting clauses into new orders for equipment voiding them should the SPD win the election. SPD leaders accused the CDU/CSU of intimidating the voters by provoking this "investment strike" to give voters the impression that the SPD victory would create an unfavorable economic environment.

THE 1983 ELECTION

Although the campaign produced the normal electoral rhetoric and aroused the interest of foreign powers, it showed that discord was limited among the major parties on most domestic and foreign policy issues. On March 6, 1983, the voters cast their ballots less on issues and more on their perception of which party was more competent to deal with the number one issue—the economy—rather than missile deployment. On this score, the voters' verdict was clear: they gave the governing CDU/CSU an impressive 48.8 percent (44.5 percent in 1980) and its coalition partner the FDP 6.9 percent (10.6 percent in 1980) of the vote, thus ensuring a continuation of CDU/CSU-FDP governance. The SPD, suffering a major setback, won only 38.2 percent, a drop of 4.7 percent from 1980; the Greens received 5.6 percent, enough votes to give them representation in the Bundestag, where a party must receive at least 5 percent of the vote to qualify for seats.

The election gave the governing conservative-liberal

coalition a comfortable majority of 58 seats (244 for the CDU/CSU and 34 for the FDP pitted against 193 for the SPD and 27 for the Greens), thus ensuring it a four-year term of office lasting until 1987—unless the governing parties had an earlier fallout. Post-election analyses showed that the coalition would have to pay special attention to the major concerns of the voters: unemployment, security of pensions, state deficits, price stability, and environmental protection.¹

For the Greens, their respectable electoral showing was a source of satisfaction and evidence of disillusionment with the major parties among a growing number of voters, especially the young. These voters were demanding that the major parties show a greater concern for environmental problems, alternate sources of energy, and arms control and disarmament. The SPD, especially, knew that unless it moved closer to the Greens on these issues it would lose further youthful support. On the other hand, the SPD also knew that unless it could come up with an imaginative alternative economic program that would eliminate the specter of large-scale unemployment it would not be able to recapture the votes of the approximately 1.6 million citizens who had supported the party in 1980 but who had switched to the CDU/CSU. Most of these voters lived in Protestant, small-town or industrial areas, and were workers or low- and middle-level civil servants and salaried employees. Their defection from the SPD to the CDU/CSU ensured that the latter made its second best electoral showing since 1949, while the SPD had its lowest Bundestag representation since 1961.

In the two weeks following the election, CDU/CSU and FDP leaders met to decide on a new coalition Cabinet and government program. On March 22, Chancellor Kohl completed the Cabinet line-up. The CDU again received eight posts, including the important Finance Ministry (headed by Gerhard Stoltenberg) and Defense Ministry (Manfred Wörner). The Chancellor was able to keep Strauss, (who had coveted the Foreign Ministry) out of the Cabinet primarily because the FDP insisted that its chairman, Hans-Dietrich Genscher, retain that position. But Strauss then insisted that the CSU receive five Cabinet seats instead of the previous four and that the FDP receive only three seats instead of its previous four. Among the important posts given the CSU was the Ministry of the Interior (Friedrich Zimmermann); the Ministry of Economics (Otto Count Lambsdorff) was given to the FDP. Thus this Cabinet, with some exceptions, resembled the CDU/CSU-FDP Cabinet led by Kohl since he came to power in October, 1982.

DOMESTIC ISSUES

Negotiations on a new government program proceeded swiftly after the election. As is usual when no one

party governs alone, compromises must be hammered out among the coalition partners. Strauss insisted that if he did not join the new Cabinet, policy enunciated in the coalition agreement must veer more toward conservatism than the FDP's liberalism, especially in the realms falling under the jurisdiction of the Ministries of Interior and Justice. The FDP reluctantly made some concessions. Thus, for instance, it accepted modification of a bitterly contested demonstration law, which will make it a punishable offense for anyone to participate in a protest that turns violent. On the other hand, the CDU/CSU agreed to relax the "incommunicado law," which had been passed in the mid-1970's during a period of intense terrorist activity. The law had made it legal in special cases to hold a suspected terrorist in complete isolation without legal representation. In the future, a bipartisan authority will provide the prisoner with legal support.

Provisions in the government program that were of greatest concern to the entire population dealt with economic and social issues. By March, 1983, unemployment had climbed to a record high of 10.4 percent. The government decided that investment subsidies to industry must be continued; at the same time it levied a surtax on high-income individuals in 1983 and 1984 to produce more government revenue. The surtax will not be refunded until 1990. To cut government expenditures, the coalition parties also decided to whittle down the social welfare programs.

The government program was amplified by Kohl in a policy statement to the Bundestag on May 4, 1983. He contended that unemployment was the number one problem and could only be reduced by stimulating free enterprise and by some deregulation of industry. He intended to reduce the national debt through cutbacks in social spending but promised that retirement pensions would remain secure and that taxes would not be raised. In foreign policy, he reiterated the value of Franco-German friendship as the cornerstone of European unification. Supporting the Atlantic Alliance he said: "We are not wanderers between East and West." He also called for constant communication with the Soviet Union as a way to maintain peace.²

Kohl's statement on domestic policies was made more concrete when the government introduced the 1984 budget to Parliament in September. It intended to limit subsidies for the unemployment fund, social welfare, maternity allowances, and child and housing allowances. Only through such cuts, according to government leaders, could the spiraling budget deficit be reduced by 4 billion DM (\$2.3 billion). Once again, they spoke of the need to raise business confidence by limiting interest rates, increasing investment-oriented funds, and encouraging business to make such investments within the country. The CDU labor minister asserted that halving the inflation rate to 2.7 percent and reducing national health insurance rates would benefit workers.

Yet opposition spokesmen were as dissatisfied with the

¹David P. Conradt, "The 1983 Federal Election: A Preliminary Analysis" (unpublished paper), p. 3.

²*The Week in Germany* (New York), May 6, 1983.

budget as with the earlier government program and Kohl's policy statement. One deputy of the Greens argued that only a fundamental change in the economic order would produce social justice for all. He blamed the continuing recession on Germany's growth-obsessed society. SPD deputies contended that lower interest rates would not necessarily produce more investments and that wages were declining in real terms. They wanted social spending cuts to be reversed, working hours to become more flexible, and the upward redistribution of wealth to be stopped.

The lack of accord on budgetary outlays and revenues reflected conflicting ideological viewpoints among the parties in the Bundestag. Similar divisions have occurred in recent years in the United States and Great Britain, where conservative administrations seek to make cuts in social welfare services while opposition parties seek to restore them. These discords reflect the priorities of conservative parties, which emphasize helping business at the expense of workers and keeping inflation rates rather than unemployment figures down.

Western countries must also decide what to do about the decline of key industries. In the Federal Republic, the steel, coal and shipbuilding industries, faced with a precipitous decline in orders in recent years, have requested government help. Some aid has been forthcoming, as in the ailing shipbuilding industry hit hard by a worldwide decline in demand for new ships and by competition from foreign shipyards producing ships more cheaply. Thus, for instance, in December, 1983, the Bundestag budget committee voted to subsidize German companies that order vessels from the country's shipyards in 1985 and 1986. Whether such help will prevent more shipyard closings in the Bremen and Hamburg areas is doubtful. Hence the Hamburg mayor declared in December, 1983, that the city's future lay no longer primarily in shipbuilding, but rather in its ability to attract small high-technology plants and service enterprises.

While the Kohl government had a tough time dealing with these structural and budgetary problems, it faced a major political embarrassment in its Cabinet ranks and suffered reverses in state elections. In December, 1983, the chief prosecutor formally charged Minister of Economics Otto Count Lambsdorff (FDP) and other officials with having accepted bribes from the Flick holding company in Düsseldorf while in office. Two payoffs were allegedly made to Lambsdorff in 1977 and 1980 to influence a tax decision in favor of the concern. Lambsdorff denied the charge but indicated that if necessary he would resign his Cabinet post in order to answer charges in court should Bonn judges decide on a trial. For Kohl, who had promised a moral and spiritual renewal in West Germany during the electoral campaign, the affair came at an inopportune moment and could presage a Cabinet crisis.

Nor were the governing parties pleased by the results in state elections held after they assumed national office in October, 1982. In the Bavarian election scheduled that

month, the Free Democrats failed to gain the 5 percent needed to have representation in the state legislature. Their vote slid from 6.2 percent in 1978 to 3.4 percent in 1982. In September, 1983, the SPD strengthened its absolute majority in the city-state parliament of Bremen, while the FDP lost its representation there too. The Social Democrats also became the leading party in a Hesse election held the same day, thus assuring them a renewal of their minority government. The CDU had hoped to replace them with a CDU-FDP coalition government but abandoned that hope when it suffered serious electoral losses. The FDP regained representation and the Greens held on to some seats. Although normally any Bonn governing coalition suffers reverses at the state level during its term of office, it nevertheless views the state elections as a political barometer and becomes apprehensive if there is a serious decline.

THE NUCLEAR MISSILE ISSUE

The number one defense issue since 1979 has been NATO's decision to deploy intermediate-range nuclear missiles in West Europe. As December, 1983, approached (when deployment was to start if negotiations failed), opposition to the decision increased.

Public opinion polls showed that even though 72 percent of the respondents wanted West Germany to remain in NATO, an almost equal number opposed deployment for fear that the country would become the center of a nuclear confrontation between the superpowers. A loosely organized peace movement—made up of the Greens, party and union youth associations, church groups, Women for Peace, the national student association and other groups—had an impact on a broad segment of the population that normally had not concerned itself with a national defense issue but was increasingly fearful of the outbreak of nuclear war.

Peace movement organizers scheduled a host of activities during the summer and autumn to protest the missile deployment. To weaken their potential impact, opponents predicted a violent "hot autumn," but this failed to materialize. One day in September, leading writers, including Günter Grass and Heinrich Böll, a few left-wing SPD leaders, and Green deputies in the Bundestag blockaded an American military installation. On October 5, the West German Trade Union Federation (with over 7 million members), which had been previously reluctant to support the peace movement, sponsored a nationwide work stoppage of five minutes.

The major protest activities were scheduled during an

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In 1983, "the Socialists were obliged to renounce many of their aspirations to reform and even to revolutionize France's economy and society. As the élan of the experiment launched in 1981 ran out and the economic foundations of Socialist ambitions virtually collapsed, the pragmatic and conservative instincts of the President and most other leaders were asserted and finally prevailed."

France under the Socialists

BY MICHAEL M. HARRISON

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IN two respects, 1983 was the pivotal year for France's Socialist government. First, it marked the halfway point in the Fifth Republic's first Socialist regime, and attention inevitably turned from the novelty of the left's victory in May-June, 1981, to the onset of a struggle for power in the legislative elections scheduled for the spring of 1986. The second decisive feature was the virtual collapse of both the spirit and the substance of reform and innovation that had brought the Socialists to power. The collapse was created by the failure of the government's economic policies and the switch in March, 1983, to an unpopular austerity program. Rising social and political discontent fueled by doubts about France's Socialist rulers guaranteed that the leadership would face an uphill struggle to retain its authority and ultimately its control of the government. The transfer of power from right to left in 1981 had been a major confirmation of the viability of the French Fifth Republic; nonetheless, the possibility that President François Mitterrand will be faced by a National Assembly dominated by the center-right in 1986 ensures an atmosphere of high drama for French political life over the next two years.

Created according to President Charles de Gaulle's ideals of leadership and authority, the Fifth Republic is a presidential regime; both the atmosphere and the substance of politics are determined by the style and preferences of the man at the top. None of de Gaulle's three successors came close to matching either the myth or the reality of the regime's heroic founder, and François Mitterrand is no exception. With a talent for ambiguity, vacillation and compromise, Mitterrand was perhaps a natural leader for France's divided and bitterly factionalized opposition during its years of recovery in the 1970's. In a country that tends to idolize intellectuals and often confuses grandiose ideals with political programs, Mitterrand's inspired pastiche of socialism and humanism had helped him seize the presidency from the aloof and unpopular Valéry Giscard d'Estaing. But Mitterrand's undoubted talent as an opposition leader has not served him well at the Elysée Palace; and in the French political system responsibility for the mediocre Socialist record

must ultimately lie with the President of the Republic.

The French left has always been ill at ease with a strong executive, preferring to run and sometimes mismanage the country from the National Assembly. Thus there was bound to be some dilution of presidential authority after a resolutely pluralist and often anarchically democratic left took over in 1981. Combined with the President's own preference for a diversity of voices within the government, this explains some of the confusion that has characterized Socialist policymaking. Obviously contradictory perspectives have surfaced over economic affairs, the management of nationalized industries, industrial policy, and even the more exclusively presidential sphere of relations with African states. A certain distance from controversial policy arenas may be a clever technique for guarding an aura of authority for a President who is considered above the fray and who intervenes only when absolutely necessary. But a President emanating from a vigorously democratic left also has a responsibility to encourage a diversity of ideas and approaches within his government. Nevertheless, after nearly three years in office, Mitterrand has been unable to create an impression of the firm, authoritative, yet innovative leader the French people expect in their President.

In foreign affairs, the tradition of a presidential *domaine réservé* is so strong that Mitterrand has had to assert his dominance against intraministerial warfare and over a sometimes ill-disciplined minister of foreign affairs. By the fall of 1982, he had moved foreign policy issues under the control of limited membership presidential Cabinet sessions (*conseils restreints*). Economic policy, however, continued to be subject to open warfare. The Socialist welfare and spending-oriented "wets" rallied around Pierre Mauroy and their allies in Jean-Pierre Chevènement's protectionist Ministry of Research and Industry. Against this group stood the austerity-internationalist forces led by Minister of Finance Jacques Delors. As the economic situation deteriorated, Mitterrand characteristically vacillated; he did not support the drastic but necessary remedies proposed by Delors until the economic crisis of March, 1983, left him no choice. Even then, the

President attempted to escape responsibility until political opposition to the austerity program forced him to give a decisive presidential imprimatur to the Delors project to forestall an open revolt.

The economic turnaround of March, 1983, brought in a new government (the third headed by Pierre Mauroy), notable for the ouster of the more extreme left-wing elements like Chevènement, the demotion of the Communist presence to only one senior minister, the resignation of the government's only independent, Michel Jobert, and the domination of pragmatists like Jacques Delors and Mitterrand loyalists represented by Laurent Fabius and Pierre Bérégovoy. The highly political, even demagogic Mauroy was a curious figure to lead this group of technocrats, but he was able to quell Communist misgivings as well as audible discontent from a disillusioned Socialist party and a somewhat rebellious group of deputies. Any temptation to revolt was stifled by Mitterrand's open intervention on the side of the Delors austerity medicine.

At the Socialist party's October congress at Bourg-en-Bresse, Secretary General Lionel Jospin obtained an artificial but unanimous consensus in support of government policy, while Mitterrand's centrist faction continued to dominate party offices against the minority left-wing CERES* group and Michel Rocard's small coterie of supporters.

The pall that hung over the Socialists during 1983 was due not only to the collapse of their crucial economic policies, but also to the repudiation of Socialist politicians in both polls and elections that seriously undermined the authority of both the President and the government. Discontent focused on Mitterrand. More people disapproved than approved of his performance after mid-1982. Some 33 percent of those polled approved, and 54 percent disapproved of his policies by September, 1983, making him the first leader of the Fifth Republic to rate such a low standing in the polls.¹

The verdict of the opinion polls was confirmed in every local election held in 1982 and 1983, indicating that the left had become a de facto minority after its inflated victory of 1981. One study of selected cantonal elections concluded that the left had lost an average of 10 percentage points between 1979 and 1983, from 54 percent to 44.2 percent, with the acceleration in the Socialist decline surpassing even that of the Communists.² The most prominent evidence of the apathy of the Socialist electorate and the aggressive participation of center-right supporters came in the important municipal elections of March, 1983, when the left lost control of 16 of France's largest towns on the first ballot and, after a slight recovery, lost another 15 on the second ballot.

*A faction in the Socialist party.

¹IFOP poll data, *Le Monde*, September 26, 1983; see also *Le Point*, June 13, 1983.

²See the study by Jérôme Jaffré and Jean-Luc Parodi in *Le Monde*, October 9, 1983.

³For a convenient dossier on this subject, see Cahiers Français, *La Décentralisation*, no. 204 (January–February, 1982).

Declining support for a dispirited government majority created a new series of opportunities for a center-right opposition in full revival by 1983. Paris Mayor Jacques Chirac and his Rally for the Republic (RPR) party were the major beneficiaries, as Chirac used his post to establish his credentials as the leading opposition figure. The centrist group of parties, the Union for French Democracy (UDF), suffered somewhat from its natural banality and its lack of a strong leadership. Valéry Giscard d'Estaing remained a political liability for the center and his former Prime Minister, Raymond Barre, was pursuing a standard Fifth Republic strategy, building up a political constituency by cultivating an image of independence from political parties. In the incoherent and unsettled political climate of 1983, the escalating competition of factions, parties, personalities and ideas was almost invariably uninspired and even insipid; thus it was uncertain what shape the more serious competition would take as 1986 grew closer. However, it was clear that the left would be on the defensive, hostage to a political and economic program that had become a liability and could be turned to advantage only with great difficulty.

PROGRAMS AND POLICIES

The economic problems that overwhelmed France in 1983 have tended to obscure Socialist policies in other key areas. Mitterrand's "econocentric" regime acquired power in 1981 because of public discontent with the economic performance of the center-right. The hallmark of its reform program was an ambitious program of industrial renovation and revived growth, and in the future the regime will be judged essentially on public perception of its economic record. Nevertheless, the Socialists have undertaken a plethora of social and political reforms that may be their most significant and viable legacy. Some reforms, like the abolition of capital punishment in August, 1981, may not endure; but others, like the complicated legislation on government decentralization, seemed likely to reshape the political map of France.

The left and various other intellectuals in France have long been critical of what they claim is an excessive centralization of power in the Paris-based national government. Previous Fifth Republic governments undertook some reforms that promised more than they delivered; but the Socialists seem to have taken a decisive step in the transfer of political power to the regional, departmental, and municipal levels of government.³ Under a law passed in March, 1982, and later amended, France's famous prefects controlling the departments were demoted to mere representatives of the central government while real power was turned over to elected councils and executive bodies. The departments, the communes, and the newly important regions acquired significant decision-making and implementation powers in areas like education, urban and regional planning and development, job training and housing.

For the first time in French history, adequate sources of financing were made available to these political entities, so they could carry out their own programs in collaboration with the central government. One reason that elections at subnational levels have become so important in France is that today these government bodies have real powers. An irony of Socialist rule is that the left's opponents have been the principal beneficiaries of this program, as the center-right is taking over political offices below the national level in preparation for an attempt to recover the national government in 1986.

INDUSTRIAL POLICY

A second major area of reform is the left's industrial policy program launched in 1981 with the intention of restructuring and modernizing the nation's industrial base, recovering competitiveness in traditional sectors and moving France into the forefront of international competition in high technology. The device chosen to carry out this program was the nationalization of some of France's largest industrial groups and most of the banking sector, part of a strategy of augmenting the state's leverage in both the domestic and international economic environments.⁴ By nationalizing monopolies, key sectors of the economy, and industries that produce "goods that are indispensable to the life and security of the country," the Socialists tried to free "the state from the dictates of big capital and market forces from the weight of the dominant conglomerates."⁵ Control over investment and the "commanding heights" of the economy was regarded as a device to ensure that the state could wield decisive economic leverage to carry out its goals of expanding employment, transforming the work place environment, enhancing French productivity and competition, directing research and technological development into channels favored by the government, and "reconquering the domestic market" by replacing certain imports with domestically produced goods (especially consumer goods).

The nationalization program was implemented in several stages. The state already had effective ownership of the two failing major French steel companies, Usinor and Sacilor, so a conversion of loans into ownership stock in November, 1981, was no surprise. After a number of delays, the rest of the program was approved on February 11, 1982, giving the state control of 5 industrial groups, 39 banks, and 2 financial organizations. The state took over the central organizations (but not necessarily all subsidiaries) of the Compagnie Générale d'Electricité, Saint-Gobain-Pont-à-Mousson, Pechiney-Ugine-Kuhlmann (P.U.K.), Rhone-Poulenc, and Thomson-Brandt. The Socialists also acquired majority shares in the Dassault

aircraft company and the arms-industrial activities of Matra, and later negotiated controlling or full state ownership in three foreign-owned groups in France (Roussel-Uclaf, C.I.I.-Honeywell-Bull, and I.T.T.-France). Along with French banks holding more than one billion francs in French deposits, the Paribas and Suez financial groups were nationalized. With the industrial sector nationalizations, about 29.4 percent of French industrial sales remained in the public sector, versus the 17.2 percent before the Socialists took office. About 24 percent of all employees in firms with industrial activities are employed by the state; in large firms with over 2,000 employees, the figure rises to 48.4 percent (versus 20 percent before 1981). The government controls virtually all France's steel industry, all the production of aluminum, one-half the production of glass, the entire fine chemicals industry, most of electrical construction (heavy and light), about half the computer industry, and major portions of pharmaceuticals and fine metallurgy.

The actual effect of this nationalization is uncertain, however. This uncertainty is caused in part by the dominant role that the state has played in the French economy throughout the entire postwar period and in part by confusion in Socialist industrial policy. But effects are muted, largely because France's economic decline in the first two and a half years of Socialist rule has weakened all efforts to reshape or control the activities of specific firms or sectors of the economy.⁶ A firm and coherent industrial policy was to have been Mitterrand's first priority, but his intention was undermined by the circumstances that produced three different ministers of industry by the end of 1983. After the resignation of Pierre Dreyfus in 1982, serious problems faced Jean-Pierre Chevènement, whose ambitious plans for restructuring French industry led him to clash with the heads of the nationalized firms and produced his resignation in the spring of 1983. His successor, Laurent Fabius, has taken a less dirigist approach and seems more sympathetic to the continued importance of the private sector and small and medium-sized firms in France. But he has continued to implement the dramatic industrial restructuring program launched under his predecessors.

This involves high expenditures that cannot be calculated with precision because so much expenditure is based on bank credit allocations, which are determined by government priorities. Government-sponsored aid to the competitive nationalized sector alone amounted to 9.5 billion francs in 1982 and 12.5 billion in 1983, much of this to make up for company losses. The rest of the direct and indirect state assistance is going to finance the ambitious restructuring programs affecting major sectors of the economy and is designed to produce "poles of competitiveness" that may reduce France's import dependence and enhance her export performance. A wide variety of these programs involves sectors like textiles, clothing, steel, machine tools, chemicals and electronics. The electronics plan was perhaps the most ambitious one

⁴See "Les Nationalisations," special issue of *Revue économique*, vol. 34, no. 3 (May, 1983).

⁵From Mitterrand's presidential election manifesto.

⁶See "Les Politiques industrielles," special issue of *Revue d'économie industrielle*, no. 23 (1983).

implemented by the Socialist government in 1983, involving major exchanges and the consolidation of product specialization among French firms, new alliances with foreign producers, and a government commitment to spend 140 billion francs over five years to move France into the forefront of advanced electronics research and production.

The persistence of the Socialist effort to redesign and advance France's industrial profile was remarkable, particularly since it was maintained despite the collapse of the Socialist effort to revive national economic growth through a Keynesian program of expanded domestic spending. This package of measures is too complex to analyze here,⁷ but it was proving to be a dramatic failure within a year of its implementation in mid-1981. France's industrial production failed to recover; investment did not pick up because of the lack of domestic and foreign confidence in Mitterrand's policies; the inflation rate rose to an annual rate of 14 percent by April, 1982 (outpacing most OECD [Organization for Economic Cooperation and Development] competitors), and the trade deficit mounted steadily as French consumers used the Socialist welfare payoff to obtain imports rather than buying France's own less attractive products.

Trade deficits rose from 55 billion francs in 1981 to an astounding 102.3 billion in 1982, remaining at a record level of 17.2 billion for the first two months of 1983 (corrected figures). One result of these deficits and the general capital flight from France was a fall in foreign exchange holdings from \$27.76 billion in the first quarter of 1981 to \$11.97 billion by August, 1982. Required to borrow abroad to shore up a failing franc exchange rate, Paris had to raise France's net foreign obligations to about \$50 billion by the end of 1982.⁸

AUSTERITY

In reaction to these foreign pressures, the Socialists were forced into a series of moves toward austerity that included a wage and price freeze in effect from June to October, 1982, and restraints on budget increases. Such measures proved inadequate, however, and instead of recovery Mitterrand found himself confronted with a major economic crisis in March, 1983, that included a new run on the franc and bitter negotiations within the EEC (European Economic Community) that almost resulted in a French withdrawal from the European Monetary System. Instead, the franc was devalued for the third time and the Mauroy government adopted one of the most severe austerity packages in recent French history. Increased taxes, forced public loans, controlled tourist spending abroad, and reduced public spending

were expected to cut internal demand by nearly 2 percent during 1983 and constituted an admission that the struggle to control inflation and restore the trade balance had an absolute priority over Socialist ideals of pursuing social justice.

By late 1983, the Socialists found themselves presiding over a program committed to draconian austerity as the price of recovery from ineptitude. Because household income fell by about .5 percent during 1983, demand slowed and inflation fell to an annual rate of about 9.5 percent by the end of the year. Imports grew only 5.7 percent during 1983 (versus 15.2 percent in 1982), while exports grew 14.6 percent (versus 9.3 percent in 1982).⁹ All in all, the French balance of payments deficit was cut to about 42 billion francs in 1983. Austerity measures labeled "Socialist rigueur" were therefore having their intended effect. However, such measures would enhance the Socialists' political dilemmas during 1984 because they would continue to cut into personal income, prevent the recovery of industrial production, and accelerate the reviving unemployment rate by adding at least 200,000 workers to the rolls of the unemployed during the year.

FOREIGN AND DEFENSE POLICY

Perhaps the brightest spot in this generally gloomy assessment of Socialist performance after nearly three years in power is the Socialist record in foreign and defense policy. This is a crucial arena for judging any French government, especially those who inherited the regime created by General Charles de Gaulle.¹⁰ During their years of revival in opposition in the 1970's, the French Socialists gradually embraced all the crucial aspects of Gaullist security policy. They endorsed a commitment to independence from NATO (North Atlantic Treaty Organization) but continued membership in the Atlantic Alliance and cooperation with the United States, support for an independent nuclear deterrent force, and adherence to a strategy of national deterrence that makes France something of a nuclear sanctuary but allows military cooperation with its neighbors, especially West Germany. Since taking office, Mitterrand has maintained these policy orientations and has even reinforced his commitment to a strong, independent national defense. One of the most surprising aspects of Socialist security policy has been the close collaboration established between France and the administration of President Ronald Reagan in the United States. This is based essentially on a convergence of views about the dangerous

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⁷See the assessment by Michel Beaud in *Le Mirage de la croissance: La Politique économique de la gauche* (Paris: Syros, 1983).

⁸*Le Monde*, January 28, 1983; *L'Express*, May 6-12, 1983.

⁹*Le Monde*, January 19, 1984 (preliminary figures).

¹⁰See the analysis in Michael M. Harrison, *The Reluctant Ally: France and Atlantic Security* (Baltimore: Johns Hopkins University Press, 1981).

"... As long as Thatcher remains close to President Reagan, both personally and in terms of policy, she will be able to exercise influence and initiative in accordance with her personal, instinctive style. Outside that context, when Britain has to operate independently, her style and approach is put to the test."

British Foreign Policy

BY MARTIN EDMONDS

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IN his analysis of United States foreign policy, Walter Lippmann argued that a policy should not be considered to exist if commitments and declarations of intent were not balanced with adequate resources. Such an assertion assumes that a general theory of foreign policy is possible, an assumption that forms the basis of the American approach to the analysis of comparative foreign policy. In contrast, the so-called "British School" argues that the process of foreign policy decision making is so complex and variable that no meaningful generalization can be made. Consequently, the analysis of foreign policy, both in the British Foreign Office and in academic circles, is based on case studies, each being treated *sui generis*. This philosophy also strongly influences the essentially pragmatic style of the professional diplomatic corps, officials and those whom they advise.

Any analysis of British foreign policy in recent years would soon falter if an attempt were made to identify clearly defined national objectives in respect of international relations since these are neither declared nor publicly defined except in the most general and platitudinous terms—viz, "peace," "collective security," "international law." Likewise, "policy," defined as a set of guiding principles, is equally difficult to isolate in that these principles also are seldom articulated or defined. Some might be offered, in the most general terms—such as "nonintervention," "sovereignty," the maintenance of the Anglo-American special relationship, the European commitment, and moral obligations to British subjects overseas—but these are as often as not indicative of pragmatism rather than long-term principle.

It is tempting simply to define Britain's foreign policy, *a posteriori*, in terms of the decisions and actions that successive governments have taken in respect of other governments and states. However, since the emphasis in foreign policy after Margaret Thatcher became Prime Minister has increasingly shifted from pragmatism and reaction to one which reflects her personal convictions and style of governing, this analysis will combine what has been done with the identification of Thatcher's guiding principles.

The skill of the diplomat and those charged with the

constitutional responsibility for the conduct of Britain's external relations is to achieve a congruence between desired objectives and the available power and influence. Assertions and declaratory policies based on principle are worthless, and convince no one, if they cannot be backed up; policies based on pragmatism, which was, before the Falklands crisis, the hallmark of the Foreign Office, are by definition policies that are attainable. Since 1982, Margaret Thatcher, rather than her Foreign Secretary, has been disposed increasingly to emphasize basic operating principles as the foundation of her government's policy in matters of foreign relations, and this has led not only to some confusion but also to some less than prudent courses of action.

Since the major electoral success of the Conservative party in the summer of 1983, Thatcher has not missed any opportunity to interpret the result as a confirmation of the soundness of those principles that guided her during her first administration, particularly in domestic and economic matters. Furthermore, by resolutely adhering to those principles, she asserts, she has also put the "great" back in Great Britain—as a consequence of her successful economic policies to reduce inflation, expand output, and improve industrial competitiveness. Britain, she may claim, has regained the respect of the world, and, moreover, has become more influential in world affairs. In a Churchillian vein, she intoned during the election campaign, that

in the last four years, Britain has recovered her confidence and self-respect. We have regained the regard and admiration of other nations. We are seen today as a people with integrity, resolve and the will to succeed.

The real point at issue is whether or not this is Thatcher's self-perception and mere rhetoric: is the Empress really wearing new clothes?

The first point to be made clear is that the Thatcher style of leadership which, during her first administration, was largely confined to domestic economic matters, has been extended to foreign and defense affairs. This applies not just to the extension of principle to the pragmatism of the Foreign Office, but also to the process by which

decisions are taken and day-to-day business is conducted. It is widely known that Thatcher's style of leadership has more in common with a presidential system than with Cabinet government, of which she is *primus inter pares*. The implications of this for parliamentary democracy give fair cause for concern, as has recently been demonstrated in the frustration of the House of Commons with the ineffectiveness of the current Foreign Secretary, Sir Geoffrey Howe. Thatcher's approach is to gather in and around her private office a close group of advisers who share, broadly speaking, her values and *weltanschauung*. She respects their intellect and ability, and has confidence in their advice and opinion. She does not welcome challenge from opinions with which she fundamentally does not agree. This arrangement operated well in domestic affairs during her first term, when the field of foreign affairs was left almost entirely to Foreign Secretary Lord Carrington in the conventional way.

It is no secret that before becoming Prime Minister Thatcher held a low opinion of the Foreign and Commonwealth Office (FCO) and had little appreciation of the professional diplomatic service. With the FCO under Lord Carrington, she was released to give full attention to her first priority: the domestic economy and the application of her "monetarist" principles. Upon Carrington's resignation, the opportunity opened that enabled her to bring the FCO more within her sphere of control and to introduce—and some would say impose—her fundamentalist approach to policy and her resolute and positive—even aggressive—style of management. Given her biased view of the FCO—a view not only widely shared by her political colleagues but also partially confirmed by the post-Falklands Franks Committee of Enquiry—she felt that a change was well overdue. After a brief and trying time with Foreign Secretary Francis Pym, who was not prepared to fit her mold, she found in Sir Geoffrey Howe the compliance she wanted; he had already demonstrated this quality as Chancellor during her first term. For professional diplomatic advice, she engaged, first, Sir Anthony Parsons, previously ambassador to the United Nations and the only FCO man to emerge from the Falklands crisis with any credit, and, on Parson's retirement in 1983, Sir Percy Craddock, from the British Embassy in China. Both men reported directly to her private office.

Despite the claim of the FCO that this gives them a direct link with the Prime Minister, the effect on the morale of the Foreign Office and its traditional responsibility for being the source of advice in external matters has been noticeable. The confusion it may cause among the diplomatic corps of other states who must know who is responsible for foreign policy and to whom representation should be made is another question. However, as far as Britain is concerned, the effect is to inject into the conduct of foreign policy a more positive and less diffident style; as regards content, policy is simpler, more personal, less sophisticated, less subtle and, not infrequently, less

diplomatic. But this still does not answer the question whether or not this style of management is congruent with Britain's position in the world. It is what you do, not how you do it, that counts, though for Thatcher her style is a proven asset and reinforces her own personal confidence.

Thatcher's perception of Britain's place in the world and the confidence that she projects when pursuing Britain's interests abroad are based to a substantial degree on her past success with the British economy, her secure parliamentary support, and the loyalty of her carefully selected Cabinet team and professional advisers. In Britain's external relations, this confidence and reappraisal of Britain's standing is in no small measure due to the outcome of the Falklands campaign. It confirmed for her that, as resolve at home had worked on controlling inflation, so determination and resolution could work abroad.

Since the Argentine forces were returned home, her policy on the future of the islands has steadily hardened. The garrison on the Falklands has been strengthened, and the issue of sovereignty has been pushed further into the background despite the fact that Thatcher once supported Lord Carrington's objective of relinquishing sovereignty to Argentina on a permanent lease-back basis. Recently, Thatcher has moderated her attitude to Argentina by offering a personal gesture to the new civilian administration, but this has so far excluded any reference to the future of the disputed islands.

THE SPECIAL RELATIONSHIP

A third major source of confidence is Thatcher's perception and use of the Anglo-American "special relationship." In fact, this is less a special relationship between the two states and more a personal relationship between the Prime Minister and United States President Ronald Reagan. Both parties value their personal regard. It reinforces those values and convictions that they hold in common, and Thatcher gains an added impact in international circles: she has privileged access to the White House and often expresses sentiments similar to those of President Reagan. They hold similar convictions regarding monetarist economic policies, have a common view toward notions of freedom and democracy and, in rather bald terms, condemn the nature of the Soviet system and warn of the extent and the imminence of the Soviet military threat to the West. Over such issues as the control of theater nuclear forces, the need for a third generation of an independent British nuclear deterrent, sanctions against the Soviet invasion of Afghanistan and Poland, and Britain's involvement in rapid deployment forces deployed outside the NATO area, the two have displayed an exceptional degree of accord.

Close association with the United States has been an important element in Thatcher's more personalized approach to foreign policy, but it has brought with it liabilities that have caused her some embarrassment. The "Finlandization" of British foreign policy, as Conserva-

tive member of Parliament Enoch Powell described it, creates a dependency not always commensurate with the opportunity and costs involved. For example, the commitment to support military operations outside of NATO (North Atlantic Treaty Organization) led Britain to maintain a force in Lebanon. The usefulness of the small unit relative to the risks involved was challenged in Parliament, particularly in respect of the American connection. That connection was also severely questioned after the United States Marines invaded Grenada, a member of the British Commonwealth. Evidently the United States action was taken without consulting Britain, which made Thatcher's attempts to justify the action and not to condemn President Reagan's decision publicly the more ill-advised. It led to the shadow foreign minister charging Thatcher with being the President's "obedient poodle." Not all United States actions in other areas have met with British approval: further American involvement in Central America gives cause for concern, and the resumption of arms sales to Argentina has clearly irritated the British.

Too close a personal identification with President Reagan has carried in its wake obligations that have often proved hard to sustain. On INF (Intermediate-Range Nuclear Forces) and START (Strategic Arms Reduction Talks), the United States position has not always been either clearly thought out and consistent, or well timed, and Thatcher has found it difficult to explain or justify the various shifts in American policy. This makes her confident assertion of a two-key control of cruise missiles stationed in Britain less credible in the eyes of an already wary public. Her less than temperate comments about the Soviet Union may well go down well in the White House but serve only to increase the European public's unease.

EUROPEAN RELATIONS

A fourth source of Thatcher's perceived increase in British influence in world affairs, which encourages her neo-Churchillian style, has been her relations with Europe and in the EEC (European Economic Community). Through her personal intervention, plain speaking and an obdurate resolve not to budge from what she considers a "fair" position on the Community's agricultural policy, she has met with considerable success where others have failed. This success, however, was tempered in late 1983 when the European Parliament froze the refunds to Britain for which Thatcher had fought so assiduously, and this action led her to threaten unilateral retaliatory action.

In Europe, however, Thatcher has managed to establish good relations with other leaders, particularly West German Chancellor Helmut Kohl; and with French President François Mitterrand, for all their ideological differences, there is evidence of a willingness to find common ground. At the economic summit in Williamsburg during the summer of 1983, Thatcher was able to hold her own among the European leaders, though this was probably

due as much to the noncontroversial nature of the discussions and the outcome as to any change in Britain's position.

Much of Britain's foreign and defense policy is conducted within an alliance, European, or "special-relationship" context; for as long as Thatcher remains close to President Reagan, both personally and in terms of policy, she will be able to exercise influence and initiative in accordance with her personal, instinctive style. Outside that context, when Britain has to operate independently, her style and approach is put to the test. Three current issues are sufficient to demonstrate that Thatcher's perception of Britain's influence in the world is not compatible with reality and that an approach which might work successfully in a domestic context is not necessarily effective in the international sphere.

Arguably, the most pressing issue that demands an agreement is the future of Hong Kong. China does not represent the same challenge to British interests that Argentina posed over the Falklands, and the problem cannot be treated in the same way. Further, there is a time limit. Having asserted (in the same vein as she did to the Falkland Islanders) that Britain has a "moral duty" to the people of the Crown Colony, Thatcher personally intervened to persuade the Chinese government to "vary the treaties" governing the future of Hong Kong, Kowloon and the New Territories. The Chinese made their position unequivocally clear: sovereignty of the whole area was to revert to China and only the nature of its future administration was open to discussion. Thatcher's references to the sacro-sanctity of treaties and international law cut no ice, and she subsequently adopted a more diplomatic and pragmatic approach, ostensibly to ameliorate Hong Kong's anxieties but in reality because there was no alternative.

Gibraltar, Belize and the Falklands are three other instances where history has bequeathed to Britain a moral commitment that is both expensive to fulfil and low in return economically, politically and strategically. The domestic lobby in Britain to maintain these obligations is too strong to allow Thatcher to follow her natural instinct, which is not to get involved in areas or problems that she cannot control. But involved she must be, and her instinctive reaction is to fall back on basic principles of sovereignty and nonintervention. These, however, do not achieve a solution to the problem—certainly Spain and Argentina are unprepared to concede their claim to sovereignty, so Thatcher's policies merely force them to

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"In general terms, one could say that the debut of a Socialist Premier has not resolved what many see as the central problem in the Italian political system: the alternation in power of distinct political forces But no genuine alternation is possible so long as the Communist party is excluded from the set of potential government parties."

A Change in Italy's Choirmaster?

BY LAWRENCE GARNER

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An age-old Italian saying goes, "*si cambia il maestro di cappella, ma la musica è sempre quella*," which might be freely translated, "you can change the choirmaster, but the music goes neither slower nor faster." In the past three years, millions of Italians have witnessed the most dramatic changes in Italy's political leadership since the end of World War II; yet they must feel that "the same old music" is being played over and over again. Although Italy's political parties and press ascribe great importance to the question of who is in the driver's seat, the driver's course is apparently determined in large part by substructural and subterranean forces.

First and foremost, the critical state of the economy circumscribes the room for maneuver of Italy's political leadership. The worldwide slump in economic activity was late in arriving in Italy. While most Western economies were beginning to take a long cold shower in 1979, Italy's economy was still in an expansive phase, heating up to rates of real growth in its gross national product (GNP) of 5 percent in 1979, 4 percent in 1980 and even 0.1 percent in the 1981 depression. And despite talk about the flight of capital and excessive wage rates, the productivity of labor rose on an average annual basis of 4.4 percent per hour worked from 1978 to 1982—higher than Japan's rate and much higher than the rate for OECD (Organization for Economic Cooperation and Development) countries in general. For Italian labor too, the years 1978–1981 were much more prosperous than they were for North America and other nations of West Europe. Protected by a comprehensive system of wage indexation (*scala mobile*), Italian labor saw its real wages increase by an average annual rate of 2.1 percent during those years.

The price paid for this countercyclical performance, however, was a rate of inflation that was more than double the EEC (European Economic Community) average: 18.7 percent in 1981 and 16.3 percent in 1982. With the trade deficit at \$22 billion in 1980 and \$16 billion in 1981, with the 1982 discount rate of 19 percent discouraging further investment, and with the lira suffering a 100 percent devaluation from 1978 to 1983, the moment for austerity had arrived. The economy started on its down-

ward course in 1982 (0.3 percent decline in GNP) and picked up steam on its downward course during the first six months of 1983 (contracting 3.6 percent). The decline of 2.3 percent in real wages in 1982 was the highest in Europe; by 1983 2.8 million persons were out of work (12.1 percent of the work force). Employment levels had already been dropping dramatically in sectors like the auto industry, where attempts to regain lost market shares led Fiat and Alfa to search for productivity gains through the automation of the work process. (Alfa dropped more than 30 percent of its work force between 1981 and 1982 and Fiat eliminated 25 percent between 1979 and 1983.)

In a familiar pattern, the call for austerity in Italy has stressed two objectives: a shift in national income away from labor and toward capital, for the stated purpose of favoring investment over consumption; and a reshaping of state finances in the direction of a balanced budget, to be realized largely through cuts in social programs.

Debate concerning the first objective has centered on proposed revisions to the *scala mobile*. This wage-indexing system has protected the purchasing power of wage workers so thoroughly since 1976 that all the price rises in basic imported goods (especially oil and foodstuffs) have carried over into automatic increases in paychecks. The consequence has been a self-propelling inflationary juggernaut: the mounting trade deficits have produced continual erosion of the lira's value, yielding a higher price for imported goods and triggering automatic increases in the cost of labor, which in turn have exacerbated the trade deficits and eroded further the value of the lira, and so on. While the unity of Italy's three trade union confederations and the relative tightness of the labor market once permitted trade union leaders to stand firm on the slogan, "the *scala mobile* cannot be touched," they had begun to break ranks by late 1982.

Eight million workers participated in a four-hour general strike on January 18, 1983, but there were none of the customary speeches at the end of the marches. The trade union confederations were divided over the negotiating position they should adopt in the triangle talks with the employer associations and the Ministry of Labor

over the question of the *scala mobile*. While the Communist-led Italian General Confederation of Labor (CGIL) favored minimal concessions, the Socialist/Social-Democratic Italian Union of Labor (UIL) was prepared to trade wage cuts for promises of new jobs.

Four days after the general strike it was announced that an agreement to revise the *scala mobile* had been reached: workers would take an 18 percent cut in their scheduled increases in exchange for contributions from state coffers to fund Italy's social security system (a system funded theretofore by employer contributions). Union leaders lamely claimed that they had reestablished the "contractual function" of unions, that is, wage increases would henceforth be more a matter of negotiation than an automatic process. But the first layer of the workers' protective shield had been pierced, and the employer associations have committed themselves to penetrating it further.

Attempts to reform the state apparatus and state finances have proved more arduous. Italy's state sector employs 1.7 million people, but it is estimated that only 19 percent of these civil servants put in a full day's work. Instances of *clientelismo* in the Christian-Democratic-dominated central state continue to abound: there are 750,000 pensioners under the age of 40 and 5 million persons on disability pensions; the "carving-up" (*lottizzazione*) of managerial posts in the state enterprises accords with formulas imposed by the prevailing coalition of parties.

And footing the bill for the bloated state sector has not been popular. Although taxes as a percentage of the GNP rose from 36.8 percent in 1982 to 42 percent in 1983, the average professional or self-employed individual still pays less than half the taxes paid by the average employee while earning three times as much. The resultant shortfall in state revenues has led to staggering deficits, and the announcement that the 1983 deficit would be on the order of \$60 billion prompted an unsolicited letter of reprimand from the IMF (International Monetary Fund) in November.

In Italy, 50 percent of the central state's budgetary deficit derives from the funds it allocates to regional and municipal governments. These funds have become the prime target of the budget-cutters. Faced with the prospect of diminished assistance from Rome, local governments have had to double and triple the fares of their heavily subsidized public transportation systems. Similar cuts in health care have led to declining services and the rising cost of medical prescriptions. The proposed 1984 budget attempts to impose further cuts in social spending, particularly in the area of health services and pensions. The trade-off proffered by the central state to offset the decline in local authorities' revenues (the right to levy a new tax on housing) will not begin to compensate for the loss.

Another area where the state will have to make painful cuts is in the steel industry. While most of the EEC

countries have been reducing jobs in this sector for the past 10 years (the United Kingdom by 65 percent and France by 41 percent, for example), Italy's partially and wholly state-owned firms have increased steel production by 20 percent and eliminated only 2 percent of the workers. Italian governments have justified their noncompliance with EEC restrictive directives on the grounds that the greater efficiency of Italian steel merits a larger market share. But state-owned Finsider has consistently run deeply in the red, and other steel-producing countries of the EEC have reached the limits of their patience with Italian temporizing. In July, 1983, an EEC commission ordered the Italian government to engineer a 20 percent cut in steel capacity over the coming two years, equal to a loss of 20,000-25,000 jobs. The government, however, postponed any action until 1984.

TERRORISM

While the state continues to wage an uphill struggle against *clientelismo*, budgetary deficits and subsidized payrolls, it has fared much better in its fight against left-wing terrorism. The spectacular abduction of NATO (North Atlantic Treaty Organization) General James Dozier in December, 1981, was followed by his no less spectacular liberation from a "people's jail" six weeks later. In short order, the Italian police arrested another 200 members of the Red Brigades. Not too surprisingly, these arrests were accompanied by charges of police torture—confirmed later by the conviction of certain police officials. But whatever the morality of its methods, the Italian police appear to have broken the back of red terrorism, thanks in large part to the extensive use of "*pentiti*" (confessed terrorists prepared to divulge information in exchange for reduced sentences). Figures supplied by Minister of the Interior Virginio Rognoni, who has overseen this turning of the tide against terrorism, give further evidence of the terrorists' defeat: in 1978, there were 2,500 terrorist attacks and 36 people were killed; in 1982, there were 628 attacks and 27 people were killed. Success has inspired the repeal of the "anti-terrorist law" that had authorized prolonged detention without the need to file charges.

In January, 1983, a Rome court imposed life sentences on the 25 "*brigatisti*" charged with the assassination of Premier Aldo Moro in 1978. The conclusion of the trial prompted an auto-critique from the former leaders of the Red Brigades already in prison. Repudiating the path of armed struggle, they called on the left to use "more imagination" in its approach to radical change. But if there were signs that one wing of defeated red terrorism was moving in the direction of a "flower-child" approach, there were signs that another wing was prepared to collaborate with more obdurate and obscure forces in Italian society: the *camorra* and the *mafia*.

In 1983, the Italian police claimed to have dealt a crushing blow to Naples' "new camorra," specialists in drug trafficking, by employing the anti-terrorist tech-

nique of "pentiti." No such success could be claimed, however, in relation to the Sicilian mafia, which was responsible for more than 100 killings in Palermo alone in 1982. Not confining its victims to fellow members of the *malavita*, the mafia struck also at figures who challenged its connivance with the established power structure in western Sicily. In May, 1982, the killing of Pio La Torre, a prominent Communist party official, was followed in September by the murder of General Carlo Alberto Dalla Chiesa and his wife. The general, who had overseen the Dozier operation, had been assigned to Sicily as part of a nationally sponsored anti-mafia campaign. While great public outcry and a parliamentary willingness to grant special powers to investigators followed these killings, the mafia's penetration of public authority itself makes anti-mafia campaigns considerably more difficult than campaigns directed against left-wing terrorism.

A power just as inscrutable as the mafia appears to be exercised by Licio Gelli, grand master of the secret Masonic lodge P-2. A search of Gelli's villa in May, 1981, in connection with an oil-bribe scheme, turned up a list of members belonging to the surreptitious club; the list included two ministers, 30 members of Parliament, newspaper editors, a television news director, admirals and generals, and a superabundance of financially beleaguered bankers. The exact significance of the list has not been determined, since self-promotion seems to be the common denominator among financial swindlers, putschist elements, and illicit arms traffickers. But its existence has confirmed the suspicions of many conspiracy-minded Italians that right-wing forces are still pulling important strings behind the public sets. And, of course, the fact that the state has made no headway in its investigation of neo-fascist terrorism (e.g., the 85 people killed in the 1980 bombing of the Bologna train station) gives further credence to the suspicion.

More grist for the conspiracy mill was provided with the collapse in June, 1982, of the Banco Ambrosiano, a \$20-billion conglomerate and Italy's largest private bank. Roberto Calvi, the president of the bank, was out on bail at the time, while charges of illegal currency transactions were pending against him. Later that same month, Calvi (who was also a member of the P-2 lodge) was found hanging beneath London's Blackfriars Bridge—suicide or homicide, as yet undetermined. Even the Vatican was implicated in the affair, insofar as Archbishop Marcinkus, the director of the Vatican's bank (*Istituto per le Opere di Religione*) had written "letters of patronage" to the Ambrosiano's Lima-based Banco Andino commending certain obscure Panamanian borrowers. A \$1.4-billion loan went unredeemed, and the Vatican has since disclaimed all responsibility for the Banco Ambrosiano.

Another lofty institution implicated in the Ambrosiano affair is Italy's prestigious daily newspaper *Il Corriere della Sera*. A 1976 loan gave the Banco Ambrosiano effective control over the Rizzoli publishing house, which owns the *Corriere*. Calvi then attempted to reorient the newspaper

in a center-right direction and consolidated his control through the purchase of a 40 percent share in Rizzoli. Thus, the collapse of the Ambrosiano has financial implications for the viability and continued existence of the Rizzoli publishing house and the *Corriere*.

A chance to shed light on the convoluted P-2 affair was lost in August, 1983, when Licio Gelli escaped from a prison in Geneva, where he was being held pending his extradition to Italy. Few in Italy had believed, however, that he would ever arrive.

POLITICAL AFTERMATH

When it broke, the P-2 affair had an explosive impact on political life. Arnaldo Forlani's eight-month-old government resigned, and the general discredit heaped on Italy's perennial occupant of the driver's seat—the Christian-Democratic party (DC)—left enough political space to allow the confirmation of Italy's first non-Christian-Democrat Premier in the 35-year history of the republic. The distinction belonged to Giovanni Spadolini of the exiguous Republican party (PRI), and he proved to be a very popular Prime Minister during his 17-month stint. His popularity probably had more to do with his portly, jovial image than with any real change in the manner of governing Italy. There was the same old penta-partite formula (Christian-Democrats, Socialists, Social-Democrats, Republicans, and Liberals), the same carving-up of ministries to accommodate DC cliques, and none of the financial rigor once championed by the PRI.

In November, 1982, Spadolini was forced to resign as a result of divisions within the coalition over economic policy. The underlying cause, however, was the reassertion of the "Socialist question" by Bettino Craxi, head of the Italian Socialist party (PSI). Ever since the PSI reentered the government in 1980 after a five-year hiatus, the party has been concerned not to be "burned" as it was during the first series of center-left governments (1963–1975). During that period, the party was asked to assume a full share of the responsibility for the scandals and debacles of Italian politics but was given little power within the government to redress matters. Under Craxi's importunate leadership, the PSI made it known that sooner or later it must be given the premiership.

In order to establish itself as a fully respectable party worthy of a premiership, the PSI put on display all of its pro-Atlantic trappings: 1) strong support for the installation of 112 cruise missiles in Comiso, Sicily (the so-called "twin-track" strategy of proceeding with installation while proceeding also with disarmament negotiations); 2) emphasis on the "Bulgarian connection" in Mehmet Ali Agca's attempted assassination of the Pope; and 3) solid backing for the Italian military contingent sent to Lebanon in conjunction with the United States "peacekeeping mission" there.

With local by-elections in 1981 and 1982 giving the PSI close to 14 percent of the vote, Craxi was faced with a dilemma: how to force new national elections in order to

register the party's new-found strength without appearing to cause them by withdrawing from the government, for which the party might be punished at the polls. The question was especially delicate insofar as the Socialists had fashioned an election image of themselves as the party of "governability." Thus Craxi was not prepared to force the issue during the November government crisis; instead the old Christian Democratic war-horse Amintore Fanfani rode into the breach to form his fifth postwar government. The Republicans, miffed at having lost the premiership for no good reason, remained outside the government; and for the first time the Cabinet posts were divided on an equal basis between the lay parties and the Christian Democrats. Otherwise, this government, termed by the press "minor league" (*Serie "B"*), was devoid of distinction. Nevertheless, when it appeared that it might develop into more than a purely interim government, Craxi withdrew the support of the PSI, forcing Fanfani's resignation and the calling of new elections for June, 1983.

The 1983 campaign was unique in a number of ways. First, it marked a turn toward the "Americanization" of electioneering—fewer and more poorly attended rallies in *piazza* and an extensive use of 30- and 60-second spots on private television stations. Second, it was the first postwar campaign in which anticommunism was not an important theme. Third, and to offset the absence of anti-Communist motifs, the Christian Democrats underlined the necessity of "austerity" for the first time since De Gasperi had done so in 1948. This last development reflected the efforts of the party's new secretary, Ciriaco De Mita, to "modernize" the DC—an attempt which appeared to win over even the prestigious center-left daily *La Repubblica* to the cause.

Ever since his election to the post of party secretary in the spring of 1982, De Mita has set himself the goal of transforming the DC from simply "a machine for managing power" into an "instrument of representation of civil society." This meant breaking with the party's old identity, defined in negative terms (a bulwark against communism) and personalistic terms (the clientelist state). Instead, he sought to identify the party with an "ideology of the center: morality, a sense of duty, productive efficiency, entrepreneurial spirit."¹ More concretely, this entailed support for a so-called "neo-centrist" program emphasizing the urgency of the fight against inflation, the promotion of conditions conducive to investment and capital formation, and the need to strengthen the government's executive powers. In order to give the party a new look, De Mita replaced one-third of the senators and one-fifth of the deputies on the new electoral list, and he included independents like ex-governor of the Bank of Italy Guido Carli.

¹See the series of interviews with DC leaders in *La Repubblica*, July 10 through July 21, 1981.

²See Berlinguer's long interview in *La Repubblica*, July 28, 1981.

The small centrist parties generally sounded variations on the Christian Democratic theme of rigueur. The PSI, on the other hand, mounted a campaign designed to appeal to a variety of issue-oriented voters: anti-nuclear power, but pro-missile; opposition to government bail-outs and to subsidies to failing public industries; support for constitutional reform to increase the Prime Minister's freedom of action vis-à-vis party directorates. While decrying the DC's drift towards neoliberal economics, the Socialists maintained a cool attitude toward the Communists (PCI), who were eagerly courting Craxi and company.

In a sense, the PCI was the "lost man" in the campaign. After a period in which the "Communist question" (i.e., whether or not it should enter the government) had been front-page news every day of the week, the Communists found themselves buried in the inner pages of the press. The party itself had jettisoned the idea of a "historic compromise" with the DC in 1980, and its proposed alternative, an alliance with all "lay" democratic forces to put the DC in opposition, was little more than a pipe dream. And whereas the strategy of the historic compromise had substantial theory behind it (e.g., Communist party secretary Enrico Berlinguer's essays on the lessons to be learned from Chile), the PCI's new slogan of the "democratic alternative" lacked a strong theoretical foundation.

The party claims that the debasement of public power under 35 years of corrupt and inefficient Christian Democratic rule mandates a moral cleansing of the state apparatus (*moralizzazione dello stato*). In the past, however, the PCI had declared that it would not enter the government as part of a slim majority in Parliament; now it said that 51 percent would be acceptable, and asked the other left and center parties to reestablish the people's confidence in publicly constituted power. The risk, said Berlinguer, was that failure of the "democratic alternative" might spell success for the "alternative to democracy."²

If the PCI failed to attract much interest in its revised domestic strategy, in the area of foreign relations it remained a subject of discussion. In response to the declaration of martial law in Poland, the PCI declared that East Europe had become "an ideological-military bloc governed by the logic of power politics." At the 16th congress of the PCI in March, 1983, the party passed a resolution stating that the imposition of martial law was incompatible with "the essential principles of the socialist and Communist conception of things." In addition, the party rejected any idea of a special bond linking it to the Communist party of the Soviet Union—all Communist parties are to be regarded as independent and equal.

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Lawrence Garner is the author of a number of essays on Italian politics and intellectual life. His most recent writing is a contribution to the *Dictionary of Neo-Marxism* (forthcoming) under the heading Italian Marxism.

"Conscious of its mandate to continue and enhance the path of reform already established by previous administrations, the Spanish Socialist Workers party has become Spain's new political center; it has also become the party of the ideological center."

Spain's Socialists: A New Center Party?

BY MEIR SERFATY

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IN October, 1982, Spanish voters elected the first leftist government since 1936 and the first single-party Socialist majority in their history.* This ended the brief period after the death of Generalissimo Francisco Franco that was characterized by the domination of a number of political groups under the banner of the Union of the Democratic Center (UCD).

The 1982 election and its aftermath witnessed a realignment of political forces. The victory of the Spanish Socialist Workers party (PSOE) brought about the demise of the UCD party, a decisive weakening of the Spanish Communist party (PCE), a strengthening of the conservative Popular Alliance (AP), and the total collapse of the Francoist extreme right.

Spain has apparently established a modified two-party system, affirming a trend first established in the 1979 general election. In 1982, the PSOE obtained 46 percent of the vote and nearly 58 percent of the seats in the Spanish Cortes, while the AP, its nearest rival, received 25 percent of the vote and 28 percent of the seats. Eight other parties shared the rest of the vote and 12 percent of the seats; with the exception of the democratic center parties and the Communists, these parties were either Basque or Catalan nationalist formations, and their influence, although significant, was restricted to their respective regions.

It is too early to suggest that Spain has become a permanent two-party state. Furthermore, it is a moot point whether two-partyism in Spain can be considered a source of political stability, as it has been usually regarded in Anglo-Saxon democracies.

The Socialist victory of 1982 did not come as a surprise. Public opinion surveys, the press, and politicians had begun to anticipate it after Adolfo Suárez resigned as Prime Minister in January, 1981. The party's moderate policy platform, the broad appeal of its leader, Felipe

González, the doubts, if not fear, raised in the voters' minds about the democratic intentions and credibility of the AP and its leader, Manuel Fraga, had made the PSOE the only possible alternative to the UCD.

Within the UCD, Suárez's successor, Leopoldo Calvo-Sotelo, was unable to unite its various factions. Almost weekly, its members were defecting to newly formed groups like the Liberal Democratic party (PDL) and Suárez's own Social Democratic Center (CDS). In addition, the whole moderate Catalan nationalist contingent simply deserted him, while many Catholic representatives joined the AP. In June, 1982, Calvo-Sotelo was forced to surrender the presidency of the party to Landelino Lavilla, the speaker of the Cortes. The latter, as the UCD's candidate for Prime Minister, was as incapable as his predecessor in improving the image of the party or in mending its internal disarray.

In contrast, the Socialists faced the electoral battle united and strong. In 1979, González had successfully staved off attempts by the left wing of the PSOE to radicalize its platform.¹ The party had carefully nursed its image with the voters and had been prepared to support the government in its struggle against terrorism and the alleged balkanization of the country. It had, however, avoided being implicated in the government's disastrous economic policies. Most important, since 1980 the PSOE had demonstrated considerable patience in dealing with the UCD's increasing ineptitude by not forcing an early general election. The Andalusian regional vote of May, 1981, had given the Socialists their first major victory. The party was now clearly behaving more like a government-in-waiting, continually putting itself forward as the sole alternative.

The PSOE went to the electorate with a platform that has been characterized as only different in degree to that of the UCD. Despite its emphasis on "change" (*cambio*) throughout the campaign and aside from the promise of creating 800,000 new jobs in the next four years, very little was offered that would radicalize Spanish society. No nationalization was contemplated; public investment was to be used as a means to aid the private sector, especially small and medium-sized business; and mea-

*The author would like to acknowledge with thanks the grant provided by the Brandon University research committee, which made the research for this paper possible.

¹For an analysis of these attempts, see Meir Serfaty, "Spanish Democracy: The End of the Transition," *Current History*, May, 1981, p. 215.

asures designed to improve the efficiency of the administration and to combat inflation were seen as welcome additions by most political observers.

A notable Spanish journalist put it poignantly: González and the PSOE symbolized "the optimist rebirth of the old fatherland"; they represented "cleanliness, courage, moderation and change, not . . . artfulness and fear, cowardice, muddling-through and overcautiousness," all of which had been the trademarks of the previous administrations. In other words, González's aim was to promote a moral reawakening rather than radical reform.²

In sharp contrast, the AP, which had unsuccessfully tried to create an electoral coalition with the centrist forces, fought on a platform based on law, order, morality and private enterprise. A cursory look at that platform does not fully project its right-wing nature.³ The fact is that Fraga's image and pronouncements hurt the party. The press and the public suspected that he was essentially a Francoist and an opportunist who was taking advantage of the democratic system to revive the old order. It is interesting to note that an attempted coup planned by three officers for election day and discovered on October 5 drew only half-hearted condemnation from Fraga, who claimed that the motivation behind the plot was "understandable."

Much of the AP was, and is, made up of former members of the Franco regime. Thus, despite protestations by its leader that the party favored constitutional, democratic government and that its electoral fortunes had been enhanced by the victory in the Galician regional elections of September, 1981, the AP appeared to have little chance of success in the 1982 polls without the support of UCD voters, support that never materialized.

The Socialist victory in the national elections was repeated in the regional and local elections that took place in May, 1983.⁴ The elections were fought on the theme of the Socialist performance. The AP conducted a negative campaign, pointing to Spain's gradual disintegration, morally, economically and territorially. González (who did not campaign himself) and his party pointed to the desirability of change.

AFTER THE ELECTION

The sweeping Socialist victory of 1982 had an immediate impact on all Spanish political parties. In the UCD and the PCE, it caused disarray, which was expected in view of their poor showings. More surprising was the negative effect that events after October, 1982, had on the

²See Juan-Tomas de Salas, "Enhorabuena España," *Cambio 16* (Madrid), November 1, 1982, p. 3. Also J. Marcus, "The Triumph of Spanish Socialism: The 1982 Election," *West European Politics*, vol. 6, no. 3 (July, 1983), pp. 281-286.

³Cf. the parties' platforms in *Cambio 16*, October 25, 1982, pp. 54-55.

⁴For details and results of the campaign effort, see *ibid.*, May 16, 1983, pp. 16-34.

⁵*El País* (Madrid), December 13, 1982.

fortunes of the AP, the party that emerged as the undisputed "loyal opposition."

The UCD, which had been responsible for achieving political democracy for Spain, ceased to exist as a political entity in February, 1983. The party's problems stemmed mostly from its varied political composition, including Christian Democrats, Liberals, populists and Social Democrats. The leadership of Adolfo Suárez had kept it together. The UCD had not created an ideological niche of its own; politically, its defensive posturing in relation to its adversaries and its consequent indecisiveness caused the very polarization that it feared.

After the election, the party found itself seriously in debt. The former divisions hardened. With the sole exception of Martín Villa, former minister and now leader of the largest faction in the congressional group, and perhaps Lavilla, the "centrist" leader and president of the party, the factions had resolved to abandon ship. Some, like Oscar Alzaga, leader of the Christian Democrats, joined the AP in the Cortes. Others demanded the calling of an extraordinary conference to determine the future of the coalition. The meeting was held in December, 1982, amidst great acrimony.⁵ The party decided to become a Christian Democratic group and to seek an opening to the forces of the right, particularly the AP. Within the next two months, there were further divisions, and the party executive agreed to dissolve the UCD as a political entity.

It is not clear whether the demise of the UCD has brought an abrupt end to political centrism in Spanish politics. For one thing, some 6 million Spaniards (22.5 percent of the voting population) claim to be disposed toward the center. In the long run, this large group could find a permanent home in the Socialist or the AP camp, particularly if both parties moderate their respective ideological positions. However, leaders of the UCD might begin to work within the AP. They would, then, bring their problems of "personalismo" to a party that until last year had been cohesive, thereby causing political and ideological rifts. Fraga's leadership might then be in jeopardy.

A third possibility is that new efforts will be made in the years ahead to reorganize a center party. In fact, a new light has appeared on the political scene—Miguel Roca, the centrist leader of the Catalonia region. He is actively seeking a consensus to form a revitalized party, thus far without positive results. Finally, Antonio Garrigues's Democratic Liberal party (PDL) is also attempting to become the focus for a new centrism. It is unlikely, however, that any one group will be able to bridge the political gap between the two chief parties.

The AP and its 106 parliamentarians are now clearly controlled by the controversial figure of Fraga. The role of the opposition has undergone two very distinct phases since the Socialist takeover. During the first six months, Fraga made it clear that he intended to play a role not dissimilar to that of a British-style opposition leader. In

line with this intention, the AP checked the constitutionality of the Rumasa conglomerate takeover and of abortion laws, and it provided vigorous opposition in the Cortes. It sided with the government only on matters related to terrorism and pension increases.

A POLICY REVIEW

After its overall defeat in municipal and regional elections, however, the party turned inward. It had acquired many new militants (the party has some 130,000 today) and perhaps because of this some cracks have begun to appear in the hierarchy. The party has found it especially difficult to maintain peace in its regional contingents, with open internal ideological divisions in Valencia, Málaga, Zaragoza, Corunna, Santander and Barcelona. The problem in some cases has been related to the party's decision-making process, and the sharing of the spoils between the two ideological factions (the neo-Francoist and the more "liberal" wing), as well as between the older and younger members. Jorge Verstrynge, the secretary general of the party, has become adept at troubleshooting and has been mentioned as the potential successor to Fraga, who maintains a rather distant attitude to the AP's base.

The problems associated with the Popular Alliance are many. First, the party is perceived as Francoist, which stems not so much from its composition; after all, the centrists included many erstwhile Franco supporters and even former ministers of the old regime. Fraga himself is the target, because his democratic beliefs are seen to be faltering. Political observers concede that the AP may not become an alternative so long as Fraga continues at the helm. Second, the party is not regarded as ideologically moderate. Ironically, Fraga is given credit for containing the extreme right element, but the strength of the right is apparently responsible for the party's inability to move to the center to attract the support it needs, particularly from members of the UCD. Third, the Socialist strategy has been masterful: its moderation has rendered the AP less than effective. The PSOE has neutralized the AP's base (business, church, armed forces) by its openness toward these groups, as well as by promoting middle-of-the-road policies. For its part, the AP has failed to take advantage of the Socialist gaffes.

After suffering a severe defeat at the polls, the PCE was shaken by the sudden resignation of its leader, Santiago Carrillo, the renowned proponent of Eurocommunism. His electoral strategy of espousing ideological moderation in the hope that it would attract votes failed in two ways: leftist support went overwhelmingly to the PSOE and the

latter refused to be associated with Carrillo; after the election the PSOE did not even need his parliamentary support.⁶

Carrillo's successor is Gerardo Iglesias, a 37-year-old Asturian miner and the former secretary general of the party in Asturias. Known as an organizer and negotiator, Iglesias has had to contend with Carrillo's continuing presence in the party and with the attempts of Carrillo's supporters to challenge Iglesias's policies.⁷

Iglesias is trying to reform a party that has been highly autocratic and centralized. He believes that the PCE must "normalize dissent" within the context of communism. He prefers to allow the grass roots to initiate debate and wants to broaden the base of support to encompass not only the working class but other fringe groups, like youth, peace movement activists, ecologists and feminists. He emphasizes Eurocommunism less than Carrillo and claims that the Communist parties of West Europe have already demonstrated their national base.

The PCE is engulfed in a debate that will determine its survival as a political movement.** It can expect to make electoral gains only in the unlikely event that the PSOE alienates much of the left. But unfortunately it has itself alienated another sector of the left by its espousal of an evolutionary transformation of Spanish society.

MILITARY DEVELOPMENTS

The role of the army continues to be the big question in Spanish politics. The attempted coup of February, 1981, made it clear that some army officials—including the Civil Guard—might be trigger-happy. On the eve of the Socialist victory, a plot was unearthed implicating three high officers of the artillery corps in a well-prepared putsch (the so-called "Operación Cervantes") that was to take place on October 27. The military intelligence service and the anti-coup brigade of the police forces discovered the conspiracy. A lengthy document was found that detailed the reasons for the failure of previous coup attempts and laid out specific strategy and tactics.

The putsch did not mar the election. However, the Socialists were again urged to do what the previous government had not dared to do, namely, to democratize and modernize the Spanish armed forces (FAS) and to bring their command under direct civilian control. Working in the shadow of a minority government, the UCD's Minister of Defense Alberto Oliart had been unable to halt the rise of the military, which was supported by well-known civilian sympathizers.

The PSOE tried not to antagonize the FAS and allowed the composition and powers of the chiefs-of-staff (JUJEM) to remain unchanged. Formed in 1977 and headed by army General Alvaro Lacalle, JUJEM is a coordinating group of top officers from the three military corps. JUJEM has been virtually the highest organ on matters of defense, with little or no responsibility to civilians on internal matters.

As early as February, 1983, under the direction of

**In January, 1984, a breakaway faction formed a new party, called the Communist party (PC). Ignacio Gallego, the new party's leader, said that the PC is opposed to Eurocommunism.

⁶See *Cambio 16*, November 19, 1983, p. 53, for a descriptive analysis of the problems encountered by the PCE since its legalization.

⁷*El País*, December 14–19, 1983, covers the developments at the eleventh party congress in Madrid.

Minister of Defense Narcís Serra Serra, the new government began a serious effort to find ways to prevent future interventions. The minister engaged in a public relations campaign, appearing in every military celebration and parade of note and emphasizing the "outstanding contribution" made by the army during the transition. To appease the military, a new bill was introduced in the Cortes that allowed for a vast increase in military expenditures, totaling some \$120 million annually. To professionalize the services, the administration announced measures that would reduce personnel by one-third before 1990, and would allow better pay for the remaining officers.

In July, an incident in Rentería, a small town on the outskirts of San Sebastian, brought the army dangerously to the forefront of politics. Tomatoes and rotten eggs were thrown by Basque nationalists at the Spanish flag and, in the melee that followed, some two dozen people, including women and children, were injured. The *Alcázar*, a right-wing daily, declared that the time for tolerance and patience had come to an end, and that "legal means" had failed to put a stop to the deterioration of the national fabric.⁸ Tension mounted, despite the Prime Minister's immediate show of support for the flag and what it represented.

By October 26, on the eve of its first anniversary in power, the PSOE was ready to act on the reorganization of the armed forces. The Council of Ministers approved a bill that would amend the Organic Law of the Basic Defense Criteria. For the first time, it proposed that the direction of overall defense policy should be placed in the hands of the Prime Minister. It would also make the defense minister responsible for elaborating, determining and implementing that policy. Most significant, the defense minister would also become responsible for "directing, coordinating and controlling personnel policy in the FAS, supervising, among other functions, military education." JUJEM and its chairman would be subordinated to the minister, to whom they would act as advisers.

If the amendment becomes law—and it is likely to cause ample debate in the Cortes—military power in Spain may be checked, if not dismantled, by the civilian authorities.

REGIONAL DEVELOPMENTS AND TERRORISM

The thorny path to regional decentralization in Spain received some favorable signs as well as setbacks during 1983. Four Spanish regions (the Basque provinces, Catalonia, Galicia and Andalusia) were granted autonomy between 1979 and 1981 via Article 151 of the Spanish constitution, which provided for referenda in those areas that desired it. The other 13 regions were finally estab-

⁸*El Alcázar* (Madrid), August 19, 1983.

⁹*Diario 16* (Madrid), August 12, 1983. For the trend toward federalism in Spain, see Javier de Burgos, *España; por un Estado federal* (Madrid: 1983).

¹⁰Government of Spain, *Boletín Oficial del Estado*, November 1, 1983.

lished by August, 1982, by congressional statute, as provided for in Article 143. Elections to the regional assemblies were held in May, 1983. Thus a tense chapter of Spanish political development came to an end.

Several problems remained. One was the issue of power transfer from the central government. At the time of writing, only the Basque and Catalan regions have received a large share of their actual powers. It is estimated that about 15 percent of the administrative and legislative powers remain to be delegated to these areas. The other regions are scheduled to obtain their jurisdictions within the next year. The transfer of personnel from the central government has caused difficulty.

In August, 1983, an important decision was rendered by the Constitutional Court. Vast sections of the Organic Law for the Harmonization of the Process of Autonomy (LOAPA) were declared unconstitutional. The law, passed in 1981 when fear of military insurrection ran high, was intended to slow down the process and limit the areas of the transfer of authority. The Court ruled that the types of transfer were already set down in the constitution and that no law, organic or otherwise, could limit the jurisdiction of the regions.⁹

The decision left Spain a quasi-federal state. Only defense, justice and external relations remain clearly within central control. In all other areas, regional parliaments will now be able to legislate, provided that they operate "within the framework of the constitution." Despite enormous theoretical autonomy, however, it is improbable that the central government will allow the formation of a true federation, which is prohibited by the constitution.

Acts of Basque terrorism and assassination declined appreciably during 1983. This was partially due to internal divisions in the ETA (the Basque politico-military organization). Although kidnappings multiplied, there was only one political assassination. However, in November an ETA-led plot to assassinate the Prime Minister was uncovered and security measures for González's protection were tightened.

The government issued a decree in October designed to combat ETA and terrorism.¹⁰ Severe penalties were to be meted out for assault, for lending support—symbolic or real—to ETA, for insulting national symbols and, particularly, for crimes against the armed forces stationed in the Basque country. The government also continued efforts to convince France that it should stop its practice of treating ETA fighters as political refugees and, instead, permit their extradition as common criminals.

ECONOMIC DEVELOPMENTS

Along with regionalism and terrorism, the state of the economy had become the Achilles' heel of the centrist government. Buffeted by the waves of an international recession and the rising expectations of a newly democratized society, the governments of the transition had allowed the economy to deteriorate; by 1982, Spain had

the worst economic record of any OECD (Organization for Economic Cooperation and Development) country in terms of inflation, unemployment and external debt.

Felipe González made it clear early in his term that he wanted to set the country on a new course. As his "super-minister" in charge of the economy he chose Miguel Boyer, a young Social Democrat with few direct ties to the PSOE, its ideology and its rank-and-file militancy. The critical Ministries of Industry and Labor were given to Carlos Solchaga and Joaquín Almunia, respectively, who were men of similar background.

Boyer's goal was forthright: to arrest inflationary pressures and decrease the unemployment rate. The increasing number of unemployed had been the PSOE's favorite target, and the party had promised the creation of 200,000 new jobs each year. The economics minister, however, opted for fiscal restraint by reducing the money supply, hiking interest rates, devaluing the peseta (by 32 percent against the United States dollar), and attempting to contain the public deficit. Early in his term, he negotiated with the trade unions and reached an agreement for reductions in salary increases that had been already granted in 1982 (from 15 to 11 percent overall).

On the positive side, partly because of the slower growth of previous years, Spain's economy was stronger in 1983 than its West European counterparts. Real growth for the year has been estimated at 2.1 percent by the government and some major banks and at 1.5 percent by other sources.¹¹ The inflation rate dropped from 14 percent in 1982 to 12 percent in 1983. As a result of the devaluation of the peseta, the export market increased by 7 percent, while imports only grew by 0.5 percent. The public deficit remained stable in relation to 1982.

On the negative side, unemployment continued its upward climb to an estimated 18 percent by the end of the year, an increase of one percent over 1982. The public sector saw an increase of some 89,000 positions, mostly because of the transfer of authority to the regional governments; the private sector lost an estimated 137,000 jobs.

The economy was beset by old infrastructural problems, including a relatively expensive and unproductive public sector, antiquated industrial methods, low investment incentives and a high public deficit. But on balance it expanded beyond the expectations of the business sector. Like Defense Minister Narcís Serra Serra, the economic ministers have gained the respect and even the admiration of much of the private sector.¹²

In contrast, the honeymoon with the trade unions appears to be coming to an end. Both major trade unions, the General Union of Workers (UGT) and the Workers' Commissions, have been active supporters of their respective parties, the Socialists and the Communists.

They have both made it clear that the government must expect a hardening of their positions in 1984 and that they will force the government's hand in dealing both with labor conditions and with unemployment. The UGT enjoys broad support in the Cabinet, particularly with Alfonso Guerra, the irascible Deputy Prime Minister, and this is likely to accentuate his ongoing ideological and personal battle with Economics Minister Boyer. It is evident that González will be walking a tightrope in economic policymaking.

Along with the promise to create 800,000 jobs, the PSOE platform contained one other concrete initiative: as early as possible a referendum was to be held with the aim of pulling Spain out of NATO (North Atlantic Treaty Organization), which Spain had joined in 1982. Almost 12 months later, González declared in Rome that Spain would not take any initiative that "may weaken the position of the European governments in NATO while missile reduction negotiations are taking place in Geneva."¹³

The strategy involved in this turnaround in Spain's relations with the countries of the European Economic Community (EEC) as well as with the United States has been the focus of the PSOE's foreign policy. This policy has been variously described as either pragmatic and defensible or a sellout to the United States and to Spanish and European economic interests.

The PSOE's external relations have been characterized by the sharply differing stances taken by various ministers. Deputy Prime Minister Guerra and Foreign Minister Fernando Morán have continually emphasized the irreversibility of the party's desire to pull Spain out of NATO. At the same time, the party is ideologically and politically committed to seek entry into the EEC. González knows that the chances of gaining admission in one would be seriously impaired if the party were to urge Spain's withdrawal from the other.

As if to stress their interconnection, in April the Cortes ratified the United States-Spanish Agreement of Friendship, Defense and Cooperation—previously signed by the UCD—without debate. This agreement allows the United States to continue to use naval and air bases in Spain in return for financial compensation. The Prime Minister also visited France, Germany, Italy and Greece in an attempt to convince them that Spain needed to join the EEC and to assure them that there would be no hasty reassessment of Spain's contribution to NATO, which currently does not include military integration. In fact, González issued a statement in Bonn indicating his "understanding" of Germany's decision to allow the deployment of nuclear missiles on its soil.

(Continued on page 183)

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¹¹See *Cambio 16*, January 2, 1984, pp. 36–39.

¹²*Cambio 16*, a respected Madrid weekly, made Boyer Man of the Year for 1983. See *ibid.*, pp. 60–62.

¹³*Cambio 16*, October 24, 1983, p. 25.

"Today, Belgium walks a tightrope . . . The Martens ministry hopes for improvement in the economy before the Euromissile decision must be made, on the theory that the regional issue can be politically contained and will evolve slowly on the heels of an economic comeback. The issues of cruise missiles, regional devolution and economic reform are tightly interwoven; . . . any one of these issues could topple the Martens government."

Divided Belgium Walks a Tightrope

BY PIERRE-HENRI LAURENT
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IF there is a microcosm of the diversified crises that have beset many industrialized states in the last decade, it is the tiny state of Belgium. This nation, which was a major postwar triumph of economic recovery, and a constitutional monarchy emphasizing a consociational pattern of conflict resolution, has been radically transformed in the last quarter century. A pluralistic, parliamentary democracy has experienced severe and persistent ethnolinguistic divisions that reflect a rupture of its two major cultures.¹ But recently this nagging antagonism and these constant quarrels between the Dutch-speaking Flemings of the north and the French-speaking Walloons of the south have been aggravated by extensive economic and financial problems and an internal struggle over Belgium's security policy. In short, Belgium faces the mid-1980's with a triad of complex and interrelated conditions involving the constitutional/political realm of regional devolution, economic/financial recovery and reform, and a divisive defense policy with regard to Euromissiles.

Although the current government of 46-year-old Prime Minister Wilfried Martens (who survived open heart surgery in 1983) has set forth a national economic plan for reorganization and revival, there are reasons to question any real sustained recovery or an adequately long life for the program, given Belgian bickering. Furthermore, the bifurcated nation appears to be locked into a pattern of avoiding issues and papering over decisions, sensing the violent results that regional economic or security diver-

gences could cause. Political decentralization and regional autonomy are at an apparent point of no return, because of the potential hazards from further political confrontation between the Flemish and Walloon communities.² The government is also troubled about the cruise missile deployment controversy, fearing that Belgian acceptance and participation in NATO (North Atlantic Treaty Organization) force modernization will inflame domestic politics and combine with economic grievances to cause a real threat to Belgium's national existence. It is this interplay of forces in contemporary Belgium and the resultant *immobilisme* that demands attention.

The central historical reality of this northwest European state has been its biculturalism and bilingualism. Belgium is an association of two different language communities with that linguistic split always in the limelight. The Flemish, who outnumber the Walloons by two million in a nation of ten million, have engaged in a century-long struggle to assert their rights in a state that was, until the 1920's and 1930's, dominated and controlled by francophones in the south and in Brussels. Since that time, the Flemish have translated their demographic and economic supremacy into national political power and have also initiated the move toward more local rule for the various regions.

The rift between the two communities has four variables: ethnicity, language, regionalism and politics.³ Since 1960, when the language laws prescribed minority language group protection in all areas by means of bilingual administration, four linguistic regions have existed. The Flemish north, the south of the Walloons, the bilingual capital area of Brussels, and the minute German-speaking group of the extreme east were the centerpieces of the first effort to redesign the Belgian power structure. For over 20 years, Belgium has tried to avoid complete separation by devising a devolution plan that gives the regions power in the central government. In essence, a structural conflict has developed as a unitary and centralized state moves to the federal model.

The major achievement of those turbulent 20 years

¹Pierre-Henri Laurent, "The Benelux States and the New Community," *Current History*, vol. 64, no. 380 (April, 1973), and "Old Dilemmas and New Problems," *Current History*, vol. 70, no. 415 (April, 1976).

²This idea is developed in J.E. Kane, "Flemish and Walloon Nationalism: The Dissolution of a Unitary State," in U. Ra'anan, ed., *Ethnic Resurgence in Modern Democratic States* (New York: Pergamon, 1980).

³E. Roosens, "The Multicultural Nature of Contemporary Belgian Society," in A. Lijphart, ed., *Conflict and Coexistence in Belgium: The Dynamics of a Culturally Divided Society* (Berkeley: Institute of International Studies, University of California, 1981), and A. Zolberg, "Flemings and Walloons," *Journal of Interdisciplinary History*, vol. 5, no.2 (1974).

was the Egmont Plan of 1979–1981. As a result of Prime Minister Leo Tindemans's initiative, a series of accords moved through the bicameral legislature that recognized two cultural communities and three regions with regional parliaments. The goal became the establishment of two individually governed regions of Wallonia and Flanders, with the Brussels agglomeration as a semiautonomous third. The process would shift many powers to the regions, with the central authorities holding only foreign and defense and some fiscal areas. This communities pact was to preserve national solidarity through concrete central powers, while redirecting to new regional institutions the ability to rule themselves.⁴

For a decade, the paramount role of Brussels in this decentralization has been the nexus between concord and conflict. The decentralization debate has caused several mixed ministries to fall and has yet to be passed, primarily because the status of Brussels has reached a political stalemate. Any attempt to resolve this dilemma brings all the ethnic dissatisfaction and discontent so quickly to the forefront that the Martens coalition has adopted an evasive posture.

It is true that the constitutional revision of 1980 and the regionalization laws of 1981 contributed to regional autonomy. A group of councils or assemblies was installed: a unified (regional and community) Flemish body composed of Flemish members of Parliament (MP's) and members of the Brussels electoral district who claim to be Flemish, plus a French community council with Wallonia MP's and the *bruxellois* claiming to be francophone, and a Walloon regional assembly with Walloon MP's, but no Brussels representatives. Thus the revisions in the law made a clear distinction between "community" and "region," but the formulation of a Brussels regional council has been such a thorny issue that some think it defies any workable solution. The core issue is who will control the capital's politics and how this will be accomplished, given a francophone central city and a Dutch-speaking outer city.⁵

The short-lived councils have not been visibly successful. They have been active in cultural, social and language fields, particularly in the promotion of regional interests like Flanders technology, but serious problems exist. The vague delineation of authority that results in conflict with the national government and among the councils themselves needs further attention. More significant, the councils manage only about eight percent of the national budget, limiting their action drastically. Further reform of the councils, let alone completion of the Brussels entity, has led to so many squabbles that Martens has given the problem to a special commission, and before the

present legislative session ends in 1985, the government is committed to debate the solutions proposed by this commission.

Yet the basic outline of any changes are already obvious and saturated with friction. One could call for the extension of the council's powers (e.g., education and economic incentives), or advocate stronger central government or, finally, give more power to the provinces that were to be abolished originally. Whatever the decision, stiff opposition will result, most likely in the Walloon Socialist camp.

Some believe that Martens has chosen to "deep-freeze" the entire issue with the special commission tactic, but this could only be temporary. The description and installation of the constitutionally required Brussels regional council will, at some point, be subject to hard political negotiations. With the extreme economic pressures that Belgium faces in the new Martens austerity package and the inevitable necessity to face the missile question head on, the Belgian leadership has chosen to "evade and escape" further regionalization as long as possible.

THE PARTY SYSTEM

One compelling reason for this impasse is the political party system. All three major Belgian parties have been split along language lines since the 1960's. As Belgium moved from its unitary model, its three national parties collapsed.⁶ This proliferation of diverse political parties, plus the growth of splinter and language parties, has made parliamentary business much more ponderous because so many voices have to be heard on every issue. To hasten the legislative process on economic matters, Martens is pressing to "rule by executive decree."

Delicate, even curious, political unions have been forged. Martens's centrist Social Christian majority was so weakened in the last election of 1981, going from 82 to 61 seats in a 212-seat chamber, that it became dependent upon the party of the right and conservatism, the Liberals. The 1981 Liberal gains, from 37 to 52, were the basis of the present coalition, although the coalition would have fallen short of a majority unless a lesser party had joined. A coalition became possible with the addition of *Volksunie*, the Flemish language party. This contribution to the coalition was based on strong *Volksunie* support on the economy (the austerity approach and free market ideas) and on constitutional issues (increasing protection of minority Dutch regions) but included adamant *Volksunie* opposition to Belgian involvement in intermediate-range nuclear missile deployments.

The two Socialist parties and two francophone groups, *Rassemblement Wallon* (RW) and *Front Democratique des Francophones* (FDF), are the present opposition. On purely political and ideological grounds, the Socialists oppose the economic measures, but the northern leftists do so much more in theory than in practice. Serious Socialist differences on economic matters exist even though they all agree that the measures chosen to stimulate the econ-

⁴*Le Soir*, December 20, 1980, and February 12, 1981.

⁵*Pourquoi pas*, June 11, 1983.

⁶The Social Christian party split into the *Christelijke Volkspartij* (CVP) and *Parti Social Chrétien* (PSC). The Liberal party became the *Partij voor Vrijheid en Vooruitgang* (PVV) and the Walloon *Parti de la Liberté et du Progrès* (PLP). The two Socialists emerged as the *Socialistische Partij* (SP) and *Parti Socialiste* (PS).

omy “throw the burden of the crisis on the poor and give the rich a stack of presents.” This stance, based on the notion that the better off are treated with kid gloves and the economically downtrodden are denied jobs and any state protection or aid, does create some bipartisan Socialist action. But differences emerge when the issue moves from industrial subsidies to who gets them, or from tax reform to the particular preferential tendencies of a tax package. Even the general idea of industrial modernization when translated into the specifics of what is adapted and where it is altered becomes a source of intra-Socialist spats. Only the unemployment welfare cutbacks are uniformly resisted by the opposition on both sides of the language line.

The Socialist schism so weakens its ability that it is also forced to look for allies from marginal groups, lobbies and movements like the environmentalists, the peace or anti-missile movement, and the language parties. Its primary objective has been to court the left-wing Social Christians on economic grounds, emphasizing the “capitalist posture” that labor has taken in matters like tax evasion and social security reforms. Martens’s vulnerability is largely in his party’s left-labor wing and its desire “to moderate the extreme discipline of ordering the ailing economy.” This inclination leads the Socialists to woo the more liberal Social Christians, but it also results in the preeminence of the Liberal parties in the Martens coalition. It is the determined and rigid adherence to free market policies and the Liberal dedication to stringent conservative measures that hold together and dominate the present government.

Any gain in Socialist clout is questionable and subject to linguistic animosities. The Socialists of Wallonia depend on the militant industrial work forces of the south. The moderation and flexibility of these elements have been overcome by threats of strike, confrontation and even separation. The northern left can still afford to be more compromise-oriented. The fact is that the two Socialist parties are in every way the most divided in Belgium and are politically limited in their effective opposition to the government, especially its economic policy. The politics of language apartheid is supreme; and even ideology must play second fiddle. No wonder that on the rocky road to federalism, there is a government crisis on the average of once a year.

THE ECONOMICS OF REVITALIZATION

In recounting the present communities predicament, it is imperative to allude to the economic crises. Present economic reform has intermingled with devolutionary discord, particularly since 1981 when the Martens governments made the economy its priority.

Accused of indecisiveness and lack of forcefulness in earlier ministries, Martens demonstrated great political courage when he attacked the ills of the economy. He believed that Belgium needed to redress an economy that had muddled through far too long after foreign capital

was withdrawn; it had suffered two oil price shocks with drastic repercussions; and its small export-oriented economy had been damaged by a global recession. The investments that once poured into the nation because of government incentives and subsidies, the availability of skilled labor, and Belgium’s favorable distribution location all disappeared in the 1970’s. Increases in manufacturing costs (mostly wages and added social security benefits), declining state aid, and higher corporate and individual tax rates forced out foreign money. The recession highlighted Belgium’s difficulty in retaining its competitive trading edge. Although some flexibility and adaptability is reflected in Belgian vehicles, chemicals and machinery, older industries like steel and textile are desperately sick. Productivity gains have continued, but at the price of a disastrous unemployment rate. Belgian wage rates are so high that to retain high productivity, employers maintain fewer workers to produce the same volume—significantly, not an expanding volume.

Martens’s reply to these economic problems was to plan measures that would prevent Belgium from drifting out of control. Priority was given to transferring resources away from consumption and the public sector and into the business and corporate sectors. Three major planks in the Martens platform pinpointed remedies: first, cutting back on the runaway government budget deficits by carving out government spending; second, making selective tax cuts and offering incentives to regenerate industrial investments and stimulate exports (a modified supply side method); third, increasing economic productivity by modifying wage indexation to hold down wages.

The suspension of the automatic cost-of-living wage increases and the diminution of certain social welfare benefits have engendered the most hostile reactions. Reforming an obsolete industrial infrastructure and recasting a vast network of national subsidies to keep industries competitive in the world market would automatically engender sharp opposition in Belgium. But it was the Martens assault on social services and indexation that triggered deep passions; reductions in family allowances, leaves and holidays, and particularly reductions in old age, sickness, disability and unemployment insurance were the core of the economic package.

Reining in public expenditure in a modern welfare state causes friction in any nation. But in view of the troubled industrial landscape of Belgium and its parliamentary history, the avenue chosen to resurrect the economy gave rise to great consternation. The method selected to effect politically sensitive changes—special powers for executive action that override Parliament’s opposition—illustrates for many Belgians the ultimate failure of their political system. Historically based on accommodation between legislative and executive branches, a democratic pattern stressing debate and discussion had solved Belgium’s two great conflicts after 1830. The controversies over religion and education between the Catholic Church and the secularists, and the

battle over industrialization among labor and capital/management had been resolved through a peaceful process of power sharing and decision making. This democratic pattern has been put aside, even though the use of emergency powers was brought about with Parliament's consent.

To the Martens establishment, present economic conditions call for extreme political measures. Public indebtedness must be reversed and international competitiveness must be augmented. The government must act to bring books back into balance or unbearable world market pressures will be placed on the Belgian franc. Already devalued eight percent in February, 1982, the currency must be strengthened by larger exports of metals, machinery, diamonds, machine tools, glassware and chemicals. Many Belgians agree on these points, but they reject not only the draconian government methods but the absence of burden-sharing.

The Walloon constituency will suffer most from reductions in infrastructure expenditures, industrial subsidies, unemployment benefits and defense. The impact on Wallonia is specifically injurious to the Liège-Namur-Charleroi armaments, steel and machinery basin industries. Whereas unemployment at the end of 1983 rose to nearly 13 percent nationally (the highest rate in the Common Market), there were southern pockets of unemployment of nearly 30 percent. Many of Martens's critics believe that he has chosen to restore competitiveness at the expense of unemployment.

Wallonia was the scene of Belgium's rapid industrialization, which was based on the region's coal and steel. In the 1950's, mining moved north (where it is now heavily subsidized), coal reserves disappeared, and steel faced new world competitors. Yet steel is still the heart of Walloon industrial power and the giant Cockerill-Sambre steel firm has become the symbol of the area's decline and the center of controversy over national expenditures to revive the economy. Japanese, American and German steel competition and obsolete Belgian facilities have combined to make Cockerill inefficient. Martens's decision to streamline it with government aid was as much political as economic, but it nevertheless rekindled Walloon anger since it would mean large force reductions totaling 8,000 workers.

The September, 1983, public sector strikes indicated widespread resistance to the Martens plan, primarily from a single class, region and language group. The disturbances paralyzed government services for five days and were the worst labor unrest since 1960. This strike and other work stoppages and demonstrations have occurred mostly in the depressed south, where joblessness is extensive and is related for the most part to the flagging steel industry.

Martens has cleverly used the steel question by proposing a long-range solution that has "communities" linkage, suggesting that economic restructuring be tied to regional devolution. The five industries under national

control (steel, coal, shipbuilding and repair, textiles, and glassware) are to be turned over to regional management, to be run (eventually) from regional revenues. The argument that appeals to all Belgians is that if the regions could manage more of their own affairs, the harmonization of divergent interests would be easier. There are those who challenge this argument with questions about the survival of central government if it constantly yields power.

Any analysis of the economic remedies proposed by the ruling parties must accentuate several factors. Retrenchment alienates the working class and improves the lot of the corporate, investing and bourgeois sector. The debates over the 1984 budget were filled with as much acrimony over tax cuts and concessions to business and the increased liberality of stock trading as over reduced human services in education, health, and other services. Even the economy's actual performance under austerity à la Martens has added to political tension, because industrial recovery and progress in the war against inflation are not yet evident. Skyrocketing unemployment is most visible, but overall industrial activity, retail sales, housing starts and car registrations indicate continued stagnation or deterioration. Optimism about an export-led recovery has been restrained as the balance of payments picture has deteriorated. Gloomy, even dismal projections about recovery have been based partially on the continuing uncertainty of external factors like expanded world trade for the Common Market and American interest rates. An economic revival also depends on continued internal wage restraints, which are due to terminate at the end of 1984. If these restraints are continued, the explosion could deny the economic program time to work. Nor will Martens's success depend exclusively on economic performance; the degree of his acceptance or rejection in Parliament, in the various regions and on the streets will also be prime determinants.

DEFENSE POLICY

As 1983 ended and British and German deployment of Pershing 2 and cruise missiles began, it was obvious that the Belgians would not be able to delay their deployment of 48 intermediate-range cruise missiles beyond the 1984 calendar year. Belgian participation in the 1979 NATO decision to house intermediate-range nuclear missiles in Europe to counter the Soviet Union's deployment of

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"Norway, it appears, has come of age. Yet the Norwegians are a proud and globally conscious people, who realize that in many respects their society compares favorably with almost any other."

Norway's Rendezvous with Modernity

BY FREDERICK HALE

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Once popular piece of Scandinavian humor involved an SAS flight en route from Stockholm to Oslo. As the plane approached the Norwegian capital, a Swedish air hostess announced, "Ladies and gentlemen, in a few minutes we will be landing at Fornebu International Airport in Oslo. Please fasten your seat belts and set your watches back 20 years." This well-worn joke typified popular attitudes in both Sweden and Denmark toward Europe's northernmost kingdom. Norway was perceived there and elsewhere in Europe as a rustic and remote land whose geographical niche on the Arctic periphery of the continent corresponded to its relationship to social, economic, political and military developments in more southerly parts of West Europe. For that matter, many Norwegians accepted this image of themselves and their country, a generalization which historians and social scientists alike would qualify but in which there is nevertheless a kernel of truth.

During the past 30 years, however, and especially since the 1960's, Norway has undergone a rapid transition that propelled it into the economic forefront and earned the Norwegians the envy of their neighbors in the countries of the Nordic Council. Owing largely to the discovery and exploitation of oil and natural gas in the North Sea, Norway now boasts one of the highest living standards in the world. So many foreign workers eager to share the wealth streamed in to take readily available manual labor jobs that the government had to impose a general ban on immigration in the mid-1970's. Partly because of the offshore wealth, other members of NATO (North Atlantic Treaty Organization) began to take greater notice of Norway, as did, presumably, the strategists of the Warsaw Pact. The transition was indeed profound after the decades when the country had few exploitable natural resources, was burdened with extensive unemployment that yielded one of the highest per capita rates of emigra-

tion in Europe, and played at most a supernumerary role in the theater of international relations.

The Norwegians have accepted their sudden volte-face with ambivalence. Most of them, especially members of the Labor party that governed Norway almost without interruption from the 1930's until 1981, point with pride and gratitude to the fruits of progress harvested by practically the entire population. The cornucopia of materialism has placed the vast majority of the population into housing units constructed since World War II, 27 percent of them single-family dwellings, has quintupled the number of motor vehicles since the 1960's, has filled most households with electronic and other gadgets unthinkable a generation ago, and has brought vacations in the Mediterranean within the financial grasp of nearly all Norwegians.

Other beneficiaries of Norway's plunge into modernity, however, particularly those attuned to the dynamics of social change, are not categorically grateful and believe they have paid too high a price to be elevated from relative poverty to affluence. They lament the tares in the wheat and point to such attendant problems as increasing rates of crime, alcoholism, divorce and other phenomena familiar on a global basis. The troublesome statistics are more than abstractions; recent public opinion polls have registered a marked decline of personal happiness since the leaner but less complicated 1950's. Many Norwegians consequently yearn for the "good old days," but few seem willing to return by altering their life-styles.¹

THE SOCIAL PRELUDE

To comprehend the nature and magnitude of the transition Norway has undergone in recent decades, it is essential to know something of the nation's socioeconomic history and to keep in mind some fundamental characteristics of Norwegian society. First, Norway has always had a very low population, and it remains the most sparsely populated country in Europe. As recently as 1800, the entire land had fewer than 900,000 inhabitants, though this figure nearly trebled during the nineteenth century, despite the exodus of nearly 800,000 emigrants. Today the population stands at approximately 4.1 million, with an annual increment of only a few thousand.

¹For keeping abreast of current developments, *News of Norway*, distributed free of charge but, regrettably, only triweekly, by the Norwegian Information Service in New York is especially helpful and fairly objective. The same office can supply data in English on a broad range of topics. The magazine of the Norsemen's Federation, or *Nordmanns-Forbundet*, published bimonthly under the title *The Norseman*, carries both summaries of the news and relevant feature articles aimed at a worldwide readership.

Second, until well into the twentieth century Norway was an overwhelmingly rural society; most of its inhabitants have always lived on scattered farms and coastal towns of varying size. The majority of the men have traditionally been employed in farming, fishing, forestry and shipping. Less than three percent of Norway's glaciated topography is tillable, however, and its agricultural economy could not support the explosion in population, hence the familiar phenomena of urbanization and emigration. At the same time, the industrial revolution swelled Oslo (or Kristiania, as the capital was called until 1925) from a tranquil harbor town of about 9,000 in 1800 to a bustling city of over 200,000 less than 100 years later. Urban planning was woefully inadequate until recently, so the inner city problems common to most industrializing societies proliferated. Even today, some parts of Oslo still bear the scars of the city's troubled adolescence around the turn of the century.

Third, poverty remained a fact of life for most Norwegians, both rural and urban, until the 1950's. Unemployment hovered at high levels during much of the 1920's and 1930's, and it took Norway several years to recover from that depressed period, followed by five years of oppressive German occupation after the invasion of April, 1940.

THE WELFARE STATE

What encouragement did the much-discussed "welfare state" provide while Norway was going through its growing pains? Like the other Scandinavian countries, Norway enacted some social legislation in the nineteenth century, like child labor laws, free public education and tax-supported orphanages, but these and other measures were not consolidated and expanded into a comprehensive system of cradle-to-grave social security until the Labor party came into power in the 1930's. A safety net of universal pensions, public health insurance, family allowances and fixed minimum incomes became accepted facts of life that few Norwegians would care to do without. A steeply progressive system of income taxation—but less precipitous than that of either Sweden or Denmark—has served to distribute the nation's wealth more consistently without eliminating all class distinctions. Most Norwegians have accepted their system and regard it as a reasonably well-functioning democracy, although many social scientists contend with considerable justification that in political life some Norwegians are created a little more equal than others.

Norway awakened from the nightmare of World War II to a Europe no less competitive and tense than it had been before 1940. Intent on moving toward a new society under Labor leadership, the country made subtle but perceptible progress on several fronts during the 1950's

and 1960's. The average life expectancy inched up and is now among the highest in the world, 73 years for men and 78 for women.

Other indicators underscored the health of the social organism. Higher education expanded rapidly in harmony with rising aspirations on both sides of the Atlantic; violent crime remained negligible for many years; and the rate of alcohol consumption was among the lowest in Europe.

Moreover, despite obvious and occasionally bitter political differences, one could justifiably speak of the essential unity of the Norwegians until the 1960's. They displayed a strong degree of cohesion born of their homogeneity—compared to nearly every other European population—and nurtured by the romantic nationalism of the nineteenth century, common cause against the hegemony of the Swedish crown before independence was attained in 1905, the occupation of 1940–1945, and a singleness of purpose in setting the country on its feet again after the war.

A SOCIETY IN DISINTEGRATION?

For more than a decade, however, it has been apparent that deepening crevices have been developing in this once nearly monolithic society and that cultural pluralism has become an experiential reality in Norway, at least in Oslo and other cities. The change came abruptly and caught many Norwegians unawares. As recently as the 1960's Johan Galtung, the nation's most internationally renowned social scientist, could characterize Norway as "an extremely anti-pluralistic country." He justified this appellation by pointing out that "it is dominated by one school system, one set of institutions for higher education, one church denomination, one national broadcasting system for radio and television; and all four of these are state-controlled." Galtung could have added several other significant common denominators, such as the inclusion of virtually the entire population in one ethnic group and the use of the Norwegian language—albeit in two mutually understandable forms—by nearly everyone except some of the 20,000 Lapps, or Sami people, most of whom are still concentrated above the Arctic Circle.

Today, none of these generalizations could be defended without qualification. Norway no longer has merely one school system, one set of institutions for higher education, one religious denomination dominating national life, or one broadcasting system, even though all of these supposedly unifying agents are still alive. The attainment of wealth and increasing contact with other cultures have made possible a heterogeneity of life-styles characteristic of West Europe generally.²

One of the most obvious transformations has been in the ethnic composition of the people, particularly in the cities. The exploitation of offshore oil and natural gas deposits has brought an influx of technicians and businessmen, chiefly from the United States and the United

²For tracing economic and social trends, *Statistisk årbok* (Statistical Yearbook), issued by the Central Bureau of Statistics in Oslo with rubrics in both Norwegian and English, is an invaluable tool, as is its less frequent *Historisk statistikk* (Historical Statistics).

Kingdom. Economic stagnation elsewhere in Scandinavia has prompted thousands of Danes and Swedes (but far fewer Finns and Icelanders) to exercise their right to seek employment in Norway. Word of the country's labor shortage spread beyond West Europe, and a surprisingly large number of workers from Pakistan, Turkey and several Arabic countries filtered in before 1975, often with their families. Today the Pakistanis, highly visible in service occupations, serve as the hapless symbol of the immigrant in Norway, even though they are outnumbered by less conspicuous Danes, Americans, Britons and Swedes. By the late 1970's an appreciable number of Southeast Asian refugees had added to the ethnic kaleidoscope.

For many non-European immigrants the adjustment to Norwegian society has been relatively difficult, though less traumatic than, say, the adaptation of Turkish *Gastarbeiter* in the Federal Republic of Germany. Workingmen are generally accepted, although their lack of relevant education and an inadequate command of Norwegian have excluded most of them from the higher rungs of the occupational ladder. Third-world women are typically slower to adapt; many find themselves effectively cut off from the world outside their apartments and nearby shops, some of which cater to an Islamic clientele. Their children attend normal public schools where many readily acquire nearly perfect Norwegian, speaking the local dialect with a passable approximation of the intonation that characterizes the speech of their blue-eyed classmates.

But life has been emotionally burdensome for much of the second generation, too. Often ostracized at school, the offspring of immigrants trudge home to find themselves also alienated from their parents' world on the east side of Oslo or in the almost equally unappealing neighborhoods of other cities. Acutely aware of the plight of these newcomers, and conscious of the necessity of weaving them into the social fabric of the nation, both the national and several municipal governments have funded such measures as courses for the women and bilingual education for the children. Various public and private agencies have tried to help immigrants find housing and to shield them from the allegedly inconsistent bureaucratic application of statutes governing residence and labor permits. Nevertheless, many African and Asian aliens, together with some who have acquired citizenship, still hover on the periphery of Norwegian society.

An embarrassingly high percentage of Norwegians apparently prefer to leave the strangers in their land on or near the social fringe. There have been only a small handful of violent attacks on immigrants—far fewer and on a smaller scale than in Sweden—and ultraconservative racist factions draw little support. But public opinion polls and the more detailed studies of social psychologists have revealed extensive racial prejudice in this land which long viewed itself as a bastion of toleration and international humanitarianism.

In one illuminating investigation conducted in 1980, when unemployment was still insignificant, respondents were first asked whether the country actually needed its foreign workers. Fully 50 percent replied no. Some 18 percent went a step further and agreed that Norway would be better off without them, while only 28 percent acknowledged their significance in the nation's economy. It seems plausible, indeed almost certain, that with unemployment hovering around 4 percent, some Norwegians are now less willing to welcome foreigners to the domestic labor market. More optimistically, 78 percent replied that it would be advantageous to have more social contact with the immigrants, and 68 percent could envisage having foreign workers as friends. The latter eventuality was ruled out by 28 percent.

If toleration of cultural heterogeneity is a hallmark of social liberalism, then many Norwegians seem to be illiberal. Of the respondents, 52 percent believed that immigrants should generally put aside their traditional culture and conform to the Norwegian way of life. Many natives who propound this view justify it with reasons that are not necessarily narrow-minded from a Scandinavian perspective. There is a genuine concern, for example, about the subordinate role women are compelled to play in many third world countries, and this is reflected in a desire to help liberate those who have settled in Norway from what is perceived as a continuing servile position. On the other hand, some Norwegians resent having to pay for such sustainers of cultural pluralism as Urdu and Vietnamese language teachers in the public schools.

A related recent controversy involved the establishment of a mosque and Islamic cultural center in Oslo. Its deeply entrenched Lutheran state church notwithstanding, Norway has a high degree of religious freedom, and according to Norwegian law practically any religious body can apply to both the national and municipal governments for financial support. When Muslims in the nation's capital availed themselves of this provision and received a centrally located plot for their building, the city fathers met a barrage of protest. Why, asked some Norwegians, should a sliver of our taxes be appropriated to maintain a non-Christian faith instead of being used for evangelistic endeavors to convert the Muslim population of Oslo? Other Norwegians, conscious of the high degree of secularization there, suggested that ethnic prejudices, not missionary zeal, underlay the opposition to the mosque. In one biting commentary, Erik Bye, a towering figure among Norway's prominent television personalities, wondered whether his bigoted countrymen had become "miniature Khomeinis." Bye's provocative gibe was overdrawn, but the 1980 study of attitudes toward immigrants revealed that 16 percent of the respondents were in at least partial agreement with the aims of a right-wing movement of questionable legality that has campaigned for the deportation of non-European aliens from Norway.

Fears that the government will yield to pressure from

the xenophobic fringe seem unfounded. A little over a year ago the Norwegian Parliament, characteristically following Swedish precedent, enacted a law giving aliens with three years' residence the right to vote and hold office on the municipal level. As their numbers increase, it seems inevitable that ethnic minorities will continue to add new mores and behavioral patterns to Norwegian society. Educational efforts on various levels have facilitated a noticeable degree of acculturation, but the complete assimilation of Norway's immigrant population is not in sight. Whether economic stagnation and its attendant frustrations will lead to more hostile attitudes toward foreign workers, evident in several other European countries, remains to be seen. For the time being, the Norwegian economic system and social security programs are coping adequately with the pressures placed on them by the recession of the 1980's.

Independent of the presence of approximately 60,000 foreigners, the profile of the Norwegian labor force has undergone a fundamental shift since World War II. During the past 25 years the number of farms has plummeted from about 200,000 to 125,000. Total acreage has not decreased proportionately, although some unprofitable farmsteads, chiefly in the mountains, have been abandoned, and others have been consolidated into more productive units. Approximately two-thirds of Norway's farmers supplement their incomes by working part-time in other occupations. Many have forsaken the soil entirely and have migrated into towns, a trend familiar around the globe.

To retard this drift, and to move the country closer to the unattainable goal of nutritional self-sufficiency, the government guarantees minimum incomes for established farmers and offers incentives for those willing to take up or expand agricultural activity. Success has been limited, and Norway still imports some 60 percent of its food. Meanwhile, the distribution of the population becomes increasingly unbalanced. Oslo continues to attract people from other areas, as does Stavanger, with its many jobs related to oil. At the other extreme, some rural districts that were once sparsely populated are now practically uninhabited.

The automation of the nation's fishing fleet has also contributed to urbanization. While there are still many two- and three-man boats, labor-efficient trawlers account for most of the enormous annual catch. In 1948, there were 85,000 fishermen in Norway; today the figure has dwindled to about 30,000.

The growing female work force has also changed the labor market. This is not an exclusively recent phenomenon; approximately 30 percent of Norwegian women were employed outside their homes at the turn of the century. Owing to the postwar "baby boom," however, the number decreased to 24 percent by 1960. Since then, the birthrate has fallen off dramatically and the proportion of employed women has concomitantly increased to slightly over 50 percent. This has inevitably left its mark

on child-rearing. A quarter century ago, day care centers were relatively rare, but today they dot the urban landscape. Nevertheless, the supply falls far short of the demand; it is estimated that the existing centers cover from 10 to 40 percent of the need in most cities.

The nuclear family has not emerged from this transition unscathed. As recently as the 1950's only 1 of every 27 children was born out of wedlock. Now one of every six is, despite the fact that 23 percent of Norwegian pregnancies are terminated by abortion, which has been available virtually on demand since 1975. Divorce has also reached epidemic proportions. Nationwide, one-third of all marriages are terminated in court; in Oslo, the figure is 54 percent. On the average, women give birth to only 1.7 children.

Many other indicators demonstrate the strains in modern Norwegian society. An increasing propensity for alcohol looms among the most obvious. Norway followed Swedish policy by giving the state a monopoly on the sale of liquor in 1871, and temperance movements led to a decade of prohibition in 1916. In 1950, Norway had the lowest per capita rate of alcohol consumption in Europe, and today the Norwegians still imbibe considerably less than almost all other European peoples. Nevertheless, the rate of consumption has trebled during the past 30 years, leading many sociologists to call alcoholism the nation's premier social problem. Government strategies to reduce intake, like placing high prices on most alcoholic beverages, have had little effect.

A demon of more recent date is drug addiction. In 1982, there were 1,700 convictions for narcotics offenses and nearly 2,400 confiscations. Amphetamines and cannabis are readily obtainable even in many rural areas. Over 20 percent of the country's teenagers have experimented with marijuana. Hard drugs have also arrived in Norway, and the annual death toll from overdoses has climbed to several dozen.

As elsewhere, narcotics have nurtured crime. Traditionally regarding themselves as an exceptionally law-abiding people, the Norwegians have found a steady rise in felonious offenses both troublesome and embarrassing. During the early 1980's the crime rate had almost reached a plateau after climbing steadily for about two decades. In 1983, however, the number of reported felonies rose sharply. Some analysts suggest a correlation between this and rising unemployment among young men. Crimes against property predominate, especially burglaries by drug addicts, but violence has also become a specter in Norwegian cities. Until the 1960's, murders were rare in Norway; in the 1980's there have been about 50 annually. The overall number of felons has risen faster than the judicial system's capacity to deal with them. Currently, over 2,000 Norwegian convicts await their turn to enter crowded penal institutions.

No less disturbing is the number of Norwegians who commit suicide. About 600 take their own lives every year, or 11 of every 100,000. Norway ranks last of the

Scandinavian lands in this respect; 30 of every 100,000 Danes and Finns and slightly over 20 of every 100,000 Swedes commit suicide annually. The Norwegian rate nevertheless indicates mounting difficulties; as recently as the 1960's it was only 7 of every 100,000 and a growing percentage of the victims are less than 30 years old.

During the 1970's, most Norwegians paid little attention to the social disintegration of their country. Chiefly because of North Sea oil, that was a decade of nearly unbounded optimism. While most other West European countries sank into recession after 1974, Norway merrily went its own way. In a September, 1972, plebiscite, the Norwegians spurned membership in the European Economic Community by a majority of 53.5 to 46.5 percent. Relying on their newly discovered offshore riches, astute economic planning, and a generous injection of foreign capital, Norway envisaged a golden age of unprecedented prosperity. Even though a decline in world trade had anchored much of the country's expansive merchant fleet, unemployment was virtually unheard of.

Consumer optimism reached dizzying heights as wages rose 15 percent annually, while prices rose only 10 percent. The government, meanwhile, encouraged the expansion of the economy by keeping interest rates relatively low, especially on home loans. Personal debts multiplied, but the crescendo of earnings erased most fears of not being able to pay them. Internationally, the acquisition of expensive equipment for offshore oil exploitation and related goods gave Norway one of the world's highest per capita foreign debts. Again, however, the spiraling prices of petroleum seemed to make it merely a matter of time before a favorable balance of trade would remove that yoke from the national neck. Labor relations remained harmonious. The greatest problem, it appeared, was to prevent the oil business from growing too rapidly and bringing astronomical profits into the country, thereby causing galloping inflation that would make already expensive Norwegian merchandise even less salable abroad.

By 1977, however, signs of discontent had begun to appear. Much of the public had grown weary of high taxes, a top-heavy bureaucracy, and Cabinet ministers who gave more evidence of party loyalty than expertise in handling their portfolios. Moreover, the Labor party appeared to have eliminated much of its traditional *raison d'être*; a broad segment of its venerable membership had graduated to the bourgeoisie. Inflation continued to mount, despite a general freeze of wages and prices in 1978 and 1979, and pockets of unemployment began to appear.

In September, 1977, the Labor party survived parliamentary elections only by allying with the two deputies of the quasi-Marxist Socialist Left party. Municipal elections in 1979 gave the Conservatives an impressive number of victories, foreshadowing the watershed parliamentary elections of September, 1981. Earlier that year the Labor party, faring poorly in public opinion polls, sought

to project a more vigorous image by replacing Prime Minister Odvar Nordli with Gro Harlem Brundtland, the first woman in modern history to head a Scandinavian government.

This ploy failed; Labor's share of the popular vote dropped from 42.3 percent in 1977 to 37.3 percent in 1981, and the Conservatives were asked to form a government. The Christian Democrats and the Center party rejected appeals to participate in a coalition, partly because of their opposition to the legalization of abortion on demand. The Conservatives consequently led the country with a minority government until the two smaller parties relented in the summer of 1983 and accepted five portfolios. Today, Prime Minister Kåre Willoch, an economist by training and a saber-tongued debater, finds his position more secure but no less demanding as prospects for economic growth fail to brighten. No less seriously, decreases in the price of oil have reduced the flow into the public coffers. Oil and natural gas fields on the continental shelf off Norway's southwestern coast remain productive, but the government has yielded to pressure to begin drilling above 62 degrees north latitude in ecologically more sensitive areas, where fishing forms the backbone of the economy.

Some commentators have seen the accession of the Norwegian Conservatives to power as part of an international trend that has swept across the United States, the United Kingdom, Denmark, the Federal Republic of Germany, and other countries. This must be taken with a grain of salt, however. It is true that Willoch pledged to reduce taxes, curb inflation, slash public spending and lower government subsidies to industries that had been kept afloat artificially. But most of the Conservative program has not been realized. True, inflation fell from over 11 percent in 1982 to about 8.5 percent in 1983, and there has been slight tax relief. But the welfare state remains intact, firmly anchored in the popular attitudes and the platforms of all the major political parties.

INTERNATIONAL REALITIES

A member of NATO since its inception in 1949, Norway believes it has no viable alternative to its alliance with West Europe and North America. It is one of only two NATO countries bordering the Soviet Union, a neighbor whose proximity is difficult to ignore. Generally speaking, the Conservatives and the moderate, dominant wing of the Labor party have agreed on the chief lineaments of Norwegian foreign policy. Tensions nevertheless exist, and at present they are high. Popular attitudes

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Frederick Hale has written and lectured extensively about Scandinavian history and current affairs. He taught and did research in Norway for six years, has been a Marshall Fellow at the universities of Copenhagen and Oslo, and is now engaged in several projects pertaining to Scandinavia and South Africa past and present.

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ON WEST EUROPE

THE ALLIANCE. *By Richard J. Barnet.* (New York: Simon and Schuster, 1983. 511 pages, notes and index, \$19.95.)

This history of the rise of postwar Europe and Japan is not the revisionist account one might expect from the cofounder of the leftist Institute for Policy Studies. The Soviet Union's antagonistic actions toward the West, beginning with the 1948 Berlin blockade, are amply noted by Barnet in his outline of the major points of alliance history. The division of Europe into East and West, the allied imposition of a new economic and political regime on West Germany and Japan, and the ascension of West Europe and Japan to copartnership and economic competition with the United States are adequately covered. Barnet maintains a critical but balanced tone throughout the work, but his most scathing criticisms are directed at the Reagan administration's ideologically motivated foreign policy.

W.W.F.

IN SEARCH OF MODERN PORTUGAL: THE REVOLUTION AND ITS CONSEQUENCES. *Edited by Lawrence S. Graham and Douglas L. Wheeler.* (Madison: University of Wisconsin Press, 1983. 380 pages, notes, maps and index, \$30.00.)

The 1974 revolution in Portugal by socialist military officers was notable for its bloodlessness and the fact that a parliamentary system took hold in its aftermath. The 16 essays in this well-written and informative volume analyze various aspects of the revolution, including the emergence of democratic institutions and economic changes.

W.W.F.

ON BRITAIN. *By Ralf Dahrendorf.* (Chicago: University of Chicago Press, 1982. 200 pages, notes and index, \$6.95, paper.)

Britain's "sickness" is the subject of this dispassionate—but not detached—work by the director of the London School of Economics. *On Britain* derives from a BBC show Dahrendorf hosted, and the book retains a conversational style. The economic malaise that has enveloped British industry is soundly analyzed, and the right- and left-wing economic solutions are roundly criticized. Dahrendorf sees many of Britain's problems stemming from an inefficient political process, the resource-limited nature of the country, and its rigid class structure. His solutions, which include parliamentary reform and a codified bill of rights, are of a long-term nature. The book is worthwhile reading for those interested in Britain's problems.

W.W.F.

CONVENTIONAL DETERRENCE. *By John J. Mearsheimer.* (Ithaca: Cornell University Press, 1983. 296 pages, notes, selected bibliography and index, \$29.50.)

Can NATO and the Warsaw Pact deter an attack on their respective areas of Europe without relying on the first use of nuclear weapons? The recent deployments and counterdeployments of intermediate-range nuclear missiles by both sides would seem to indicate the impossibility of relying solely on conventional deterrence. But Western strategists are developing strategies that call for conventional warfare structured so that nuclear weapons are not employed. According to the author, Soviet strategy also seems to be moving in this direction. *Conventional Deterrence* assesses the impact of this change in strategy.

Mearsheimer develops various theories of conventional deterrence and concludes that deterrence based on conventional weapons is dictated by the strategy each side employs, rather than single-factor issues like the number of men and tanks, or the quality of weapons. He identifies three strategies that either bolster or deter deterrence: a blitzkrieg strategy, an attrition strategy, and a limited aims strategy. The latter two, he believes, are the best way to insure conventional deterrence.

Mearsheimer's arguments are cogent and based on case studies. His analysis of NATO and the Warsaw Pact in Europe and the impact of new weapons technologies on the balance of power there draw attention to two fallacies: expecting a Soviet blitzkrieg attack to succeed; and relying on offensive strategies (like "forward defense") in order to maintain deterrence.

W.W.F.

THE LIMITS OF EUROPEAN INTEGRATION. *By Paul Taylor.* (New York: Columbia University Press, 1983. 325 pages, notes and index, \$27.50.)

The European Economic Community (EEC) has been increasingly rent by problems in the organization and among the member nations. Taylor's study identifies three areas that have led to this: centralization, internationalization, and expansion. Taylor argues that centralization has diminished the power of the member governments (or threatens to do so), that internationalization has made the EEC too open and too vulnerable to the international trade system, and that the expansion of the EEC to include new members since its inception has made the core nations of Germany and France less important and has led to an influx of problems that the EEC has not been able to handle effectively.

W.W.F. ■

WEST GERMANY

(Continued from page 152)

"action week" from October 15 to 22, but got off to a slow start with fewer demonstrations than anticipated. On the first day, a "human chain" stretched from the Soviet to the United States embassies in Bonn. On Sunday, peace was the theme of church services throughout the nation. On each of the following days, different groups were responsible for organizing activities. On Monday, the "resistance day of women," women gathered at the Defense Ministry and other installations under the motto, "Not new weapons, but new men are what the country needs." On other days, United States military bases were surrounded, and in some cities students and professors held "die-ins," dropping to the ground in municipal pedestrian zones and shopping malls. On the last day of protest, mammoth rallies were held in Bonn, West Berlin, Hamburg and other cities, with an estimated 1 million participants. At the Bonn rally, SPD chairman Willy Brandt, the Nobel Peace Prize winner in 1971 and German Chancellor from 1969 to 1974, and Petra Kelly, a leader of the Greens, spoke to the demonstrators. On the same day, a solid human chain connected NATO military headquarters in Stuttgart with a Pershing missile base at Neu-Ulm 70 miles away.

Most participants at these activities knew that they had no immediate chance of stopping the missile deployment; yet they felt that they had to make a personal statement of protest and contribute to the growing antinuclear movement that was sweeping most West European countries and which had also begun in East Europe. In West Germany, the question arose whether the government could disregard the protests when mapping its defense policies.

The government continued to maintain full support for the United States position. The Chancellor contended that the protest movement could be compared to the 1938 appeasement period when Britain and France yielded to Germany's Chancellor Adolph Hitler. In 1983, the West must "stand up for peace and freedom most decisively." For Kohl, peace and freedom meant increasing the nuclear presence in his country, while to the protesters it meant the opposite. Government supporters and much of the media, conservatively oriented, emphasized the fact that the peace marchers put the blame for the nuclear arms race primarily on the United States rather than criticizing the Soviet Union for its nuclear deployment. Yet Brandt, among others, called on "friends and partners in East and West" not "to bring this atomic devilment to Germany."³

Brandt's willingness to participate in the protest movement symbolized an important change in the SPD on the nuclear arms issue. In the autumn months, one regional

branch after another called on the party leadership to reverse its initial support in 1979 and 1980 for missile deployment. The pressure from the rank and file as well as the leaders' own doubts about the United States initiative caused them to introduce a resolution against deployment at a special party convention in Cologne on November 19 and 20. Before the vote, Vogel accused Kohl of "vassal-like fealty" to the Reagan administration and charged the Chancellor with failure to press for sufficient concessions in the Geneva arms talks. The resolution received overwhelming support from the delegates, but former Chancellor Schmidt and a few right-wing delegates voted against it.

On November 21 and 22, the Bundestag scheduled a debate on the missile issue. As anticipated, a nonbinding government resolution favoring deployment was approved (by a vote of 286 to 226, with 1 abstention), with the CDU/CSU and FDP voting in favor and the SPD and Greens in opposition. While the speakers of all parties voiced familiar arguments that showed the irreconcilable gulf between the contending camps and the end of bipartisan support for one aspect of the country's defense posture, thousands of demonstrators gathered outside the Parliament building to register their protest to the decision.

One day after the Bundestag debate, the first section of a new Pershing 2 missile arrived in the Federal Republic, marking the beginning of missile deployment and the failure of United States and Soviet arms negotiations in Geneva. As the talks collapsed, the Kohl government voiced the belief that, even with deployment, talks could be resumed in the future. Kohl opposed any pause in deployment because "it will impress the Soviet Union that we stick to our word."⁴ But he urged the United States not to be dogmatic and to seize any openings to negotiate with the Soviet Union. Brandt stressed the importance of containing the rivalry between the superpowers in order gradually to ease the division in Europe, and one day to overcome it.

For the Soviet Union, West German assent to deployment marked a failure in its attempt to wean the country away from the NATO alliance. Soviet leaders were aware of the importance of the German peace movement but knew that the political and military decisions would be made by the Kohl government, which had a clear parliamentary majority. Hence when the Geneva talks failed they attempted to frighten the West German government by installing more Soviet missiles in East Germany and Czechoslovakia. At the same time they were receptive to overtures from the West German government, considered a reliable economic partner, to improve economic, scientific and cultural ties.

The United States government, in turn, was wary of West German overtures to the East, remembering that the Kohl government had insisted, on assuming power, that it would do nothing to hinder West German companies from fulfilling contracts for the new Soviet natural

³*German Press Review* (Washington, D.C.), October 26, 1983; *Newsweek*, October 31, 1983.

⁴*The New York Times*, December 1, 1983.

gas pipeline that the United States had opposed. Whether new strains between the United States and West Germany will emerge in the aftermath of the 300th anniversary of the German settlement in America remains to be seen. Even though Kohl is making overtures to East Germany and other Soviet bloc countries for closer cooperation—he authorized an extraordinary \$400-million bank credit to East Germany in June, 1983—it is doubtful that the resurgent patriotism, neutralism and anti-Americanism visible on the West German political horizon will have any serious effect on the Kohl government's support of a strong Atlantic Alliance. ■

BRITISH FOREIGN POLICY

(Continued from page 159)

adopt less compromising policy positions. And in Belize Thatcher is trying hard to avoid becoming drawn into Central American conflicts.

It has often been repeated that the challenge to British foreign policy is not what Britain should or should not do in different parts of the world, but how to come to terms with the fact that, by any reasonable criteria, it is a medium to small power with limited influence in world affairs. Thatcher's perceptions of a renascent Britain has delayed the acceptance of that fact several years; and what she can claim to have achieved in the area of foreign relations has less to do with Britain per se and more to do with its European and American connections.

Thatcher has been described as an amateur in foreign affairs who has gathered around her a group of advisers, leaving the professional diplomats to second guess policy. There is much to indicate that the bubble will burst. Parliament is increasingly critical of the Foreign Office and the foreign secretary, and demands have been made for the return of Lord Carrington; the relationship between Thatcher and President Reagan is experiencing some strain through certain United States policies of which Britain disapproves; and earlier successes, like the European agricultural policies, are suffering setbacks.

It has been said that Thatcher does not like situations or people she cannot control, and this has to some degree explained her low opinion of the Foreign Office and her instinctive dislike of foreign affairs. After a year in control of foreign affairs, she may have discovered that her instincts were right and that responsibility for the conduct and formulation of foreign policy should be restored to those with experience and professional training. If that should happen, a more pragmatic approach to foreign policy will quickly become apparent and Britain will be able, more smoothly, to balance its interests and influence in the world with the power and resources at its disposal. ■

BELGIUM

(Continued from page 172)

SS-20's has always been hesitant. When NATO agreed to

deploy new missiles, Belgium's agreement was based on the hope that success at the Geneva arms control talks would eliminate the need for deployment. Thus Belgium hedged strongly and put conditions on missile deployment in Belgium.

Apparently, 30 years of cooperation between Belgium and its NATO partners was in question in 1979 because compliance would have led to serious domestic trouble. In 1979, and even more in 1984, all regions, language groups and political parties questioned NATO's justification for theater nuclear forces in Belgium. In the December, 1979, debates, Foreign Minister Henri Simonet was attacked by his fellow Walloon Socialists, the *Volksunie* and RW. Public opinion polls, demonstrations (mainly the fall, 1981, and 1983 marches) and even the response to French President Francois Mitterrand's visit in late 1983 showed that many Belgians were worried about the issue. When *Le Soir* recently criticized deployment as "a shift in NATO strategy toward the offense" that would increase "the chance of attack on Belgium with missiles," the possible dangers of missile installation led even some of Martens's followers to waver.⁷ The first Martens ministry in late 1979 could not get a majority; in 1984, any government decision on the missile controversy will revive hostile reaction, probably not related only to the cruise controversy.

Belgian resistance to deployment is based on various perspectives, ranging from the pacifism of the *Volksunie* to the economic determination of many Walloons. For many Belgians, moral and ethical values have come into play; for others, economic considerations dictate their response. Some posit that the huge defense costs associated with the missiles would take funds from domestic programs. Others believe that deployment will have costs that can be seen as "payoffs" to the discontented in the form of construction contracts and new jobs.

Until 1984, Belgium had the relative luxury of avoiding this decision. When it comes, the decision may be based on a formula that Foreign Minister Charles-Ferdinand Nothomb announced in 1980. Belgium would say no to missiles, if the Geneva talks came to a satisfactory conclusion. If the talks failed (and in January, 1984, they were broken off indefinitely), it would adhere to the 1979 NATO accord. In any event, in a typical Belgian compromise, Belgium would accept fewer missiles. Under present conditions, therefore, Belgium apparently will commit itself to deployment at the last possible moment. To test his coalition before it is absolutely necessary may not be politically wise; yet Belgian participation in the overall NATO strategy requires site construction and actual missile installation by the end of 1984.

Today, Belgium walks a tightrope; the nation could fall backward into the tribalism of language or region. The Martens ministry hopes for improvement in the economy before the Euromissile decision must be made, on the theory that the regional issue can be politically contained

⁷October 29, 1983.

and will evolve slowly on the heels of an economic comeback. The issues of cruise missiles, regional devolution and economic reforms are tightly interwoven; it is clear that any one of these issues could topple the Martens government. ■

FRANCE

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growth of Soviet military power aimed at the West in Europe and, especially, the need to take concerted action to counteract the threat of Soviet SS-20 intermediate-range missiles that threaten French strategic and industrial targets. The long-run significance and durability of this convergence in French and American security interests in Europe has been exaggerated by both governments and by many observers. However, it remains a prominent feature of French foreign policy and is likely to survive, despite important conflicts over international economic issues and differences between Paris and Washington over East-West trade and the prospects for a partial revival of détente.¹¹

Until mid-1983, Socialist foreign policy was characterized by a mixture of pragmatic acquiescence in the West and rhetorical rather than genuine activism outside Europe. There has been a rather slow assertion of presidential authority over French foreign policy, a desire to create a new form of foreign policy activism outside Europe that eschewed the use of military power, and a natural preoccupation with a troublesome economic program that diverted attention and energy from foreign policy.

During 1983, however, growing tensions in areas of interest to France and the promise of slow economic recovery led Mitterrand to undertake risky ventures like the military intervention in Chad and French participation in the multilateral force in Lebanon. In the long run, perhaps the most creative of the French security efforts in 1983 was the attempt to revive the Franco-German security partnership as an alternative both to nationalist-neutralist temptations in West Germany and to an unsatisfactory dependence on the United States and an American-run NATO for security in Europe.

If France's foreign and security policy options remained flexible during 1983, Socialist defense policy adhered strictly to guidelines established by de Gaulle. One of Mitterrand's earliest decisions (in July, 1981) was to approve the construction of a seventh missile-launching submarine to enter service by 1994, enhancing the French strategic nuclear force. Later, Mitterrand decided to go ahead with plans to create a mobile land-based IRBM (intermediate-range ballistic missile) force,

¹¹See Michael M. Harrison and Simon Serfaty, *A Socialist France and Western Security* (Washington, D.C.: The Johns Hopkins Foreign Policy Institute, October, 1981); and Michael M. Harrison, "Mitterrand's France in the Atlantic System: A Foreign Policy of Accommodation," *Political Science Quarterly* (forthcoming).

to proceed with the development of the Hades tactical nuclear weapon, and to keep the Mirage-IV force on station. Socialist attention to defense was reflected in the defense budget, which grew by 17.63 percent in 1982 over 1981 and then, after a hiatus in 1983, was scheduled to expand again in 1984 when the planned defense budget of 142.1 billion francs would represent the only real increase in any category after inflation.

CONCLUSION

France's socialist regime faced a crisis year in 1983. Many illusions were shattered, and the Socialists were obliged to renounce many of their aspirations to reform and even to revolutionize France's economy and society. As the élan of the experiment launched in 1981 ran out and the economic foundations of Socialist ambitions virtually collapsed, the pragmatic and conservative instincts of the President and most other leaders were asserted and finally prevailed. Painful and cautious recovery is always less exciting than a radical, innovative program, but this was the only responsible option that might give the Socialists time to rebuild their eroding political constituency in time to face national elections, which are scheduled for 1986.

Meanwhile, the successful management of the 1983 crisis made clear the enduring validity of the Gaullist constitution. In 1981, the political institutions that permitted a smooth transition from one political majority to another channeled the often irresponsible instincts of the French left into a feasible program of economic recovery. At the same time, France's new leadership has followed a foreign and defense policy that benefits both the national interest and that of the West as a whole. Given the record of France's political institutions, it seems certain that they will continue to survive and even thrive on the tension that France's lively and unpredictable political system may create. ■

ITALY

(Continued from page 163)

Pravda, in turn, denounced the PCI's stance for giving "active assistance to imperialism." And Berlinguer retorted that the era marked by the "propulsive power" of the Bolshevik revolution had come to an end.

The PCI's distancing itself from the Soviet Union met with approval not only in bourgeois political circles but also in the party's rank-and-file—only 3 percent of the party's delegates to the national congress voted against the "propulsive power" resolution. The party claims to have "liberated itself from the remains of mythic visions" and to have entered a new phase of "self-development and internal democracy" which will ensure, inter alia, the "transparency" of internal party debates. Nonetheless, the "taming" of the PCI has made it more difficult for the party to maintain the belief that it is "different" from the other electoral parties, which are allegedly only interested in maximizing their constituents' short-term gains. The

other political parties may be prepared to reward this social democratization of the PCI (e.g., for the first time a Communist deputy was elected to chair a parliamentary committee on defense). But the party's mellowing has cost it the support of part of its mass membership, which has declined by 200,000 since 1976 and by 40,000 from 1982 to 1983 alone. Part of that loss must be attributed to the conviction that the "break" with the Soviet Union signaled a draining-off of the party's idealistic charge and of its commitment to a radical transformation of Italian society. In fact, the party's own leadership must have felt uneasy about the change; it chose to include on its electoral list a large number of left-wing independents and members of the *Manifesto* group expelled from the party in 1969, hoping thereby to limit the feared rise in abstentionism.

THE 1983 ELECTION

What was expected to be just another sounding of the long-standing divisions within the Italian electorate proved to be an "earthquake." The Christian Democratic party lost 5.4 percent of its support (compared to the 1979 results), bringing it down to 32.9 percent. For the first time since 1946, the DC fell below 38 percent, and it was now separated from by the PCI by only 3 percent. The DC's loss was the third largest swing of votes registered in Italian postwar elections.

Many of the lost votes found their way into the camp of the Republican party (up from 3 percent to 5.1 percent), a result in part of the "Spadolini effect." The other centrist lay parties (PSDI and PLI) also registered an advance, bringing the total of the three to 12.1 percent. Since 1976, when these parties appeared on the verge of extinction (7.8 percent), they have staged a comeback that has put them in the center of politics.

The Socialists also registered a slight gain, up 1.6 percent to 11.4 percent, but they were sorely disappointed. The PSI hoped to show signs of being able to match the success of its French counterpart and to move beyond the 15 percent mark. In fact, the party lost votes with respect to its showing in the 1981 and 1982 local elections; and it failed to gain any ground with the fraction of the electorate to which it had tailored its appeal: the issue-oriented voters in the new technical and managerial strata of the workforce. The gains it did realize came in the south, where increased Socialist participation in local governments enlarged the party's share of the patronage vote.

The poor Socialist showing undoubtedly reflected some voter dissatisfaction with the contrast between the party's promises of reform and its continued involvement in local scandals (most recently in Turin and Liguria) and in the practice of "carving-up" the public industries by party patronage. In more general terms, however, the PSI was attempting to occupy political "space" already occupied by the Communist party. The PCI is the principal force on the left in large measure because it is

already the reform-minded, efficient and uncorrupted public administrator that the PSI would like to become.

In the event, predictions of a significant drop in support for the Communist party proved mistaken; the party managed to hold close to the 30 percent mark. Overall, the PCI registered a decline of 0.5 percent or 1.9 percent, depending on how much weight one gave to the inclusion of a small left-wing party on the PCI's list. Most significant, the Communists held their own in the large cities (Naples excepted), where they had established a record of efficient and responsive public administration.

An attempt to capture some of the protest voters drifting away from the PCI was made by the Radical party. It called on voters to register their protest against "partocracy" by abstaining or voting a blank ballot; or, if they had to vote, voting for the Radical list, at the top of which stood Toni Negri, the philosophy professor held in prison since 1979 on charges of abetting terrorism. Results showed, however, that abstentionism increased only 1.6 percent, up to 11 percent, and spoiled or blank ballots stayed at about 5 percent. Thus Italy continues to have one of the highest rates of voter participation in the Western world.

In some respects, the June elections were less earth-shaking than they might appear. The overall vote for the five government parties remained about the same (57.6 percent in 1979 versus 56.9 percent in 1983). The big shift took place within the government bloc of parties, and not across opposing blocs. That shift can be seen as part of a decline in the importance both of anti-Communist fear and of religious convictions in Italian voting behavior. Signs of the increasing secularization of Italian politics have been evident in the results of Church-sponsored referenda on divorce and abortion. The percentage of voters supporting the Church's position on these issues dropped from 40 percent on divorce in 1974 to 32 percent on abortion in 1981.

The electoral strength of the DC would have probably declined more rapidly during the 1970's if the party had been unable to rally opposition to the Communists' entry into government (at the expense of the small centrist parties). Once the strength of that anti-Communist appeal began to wane, the DC was left with a declining religiously motivated vote and its clientelistic constituents. The party's strength has thus become increasingly confined to the countryside, small towns, and the south; in the large cities of northern and central Italy its support dropped below 25 percent.

The poor showing of the Christian Democratic party in June meant that it was impossible to form a purely centrist government. The Socialist party would once again be the key to a new center-left government majority. Furthermore, Craxi had decidedly better cards to play this time than in 1979, given the fact that the DC had the air of a defeated party. In July, Craxi received a mandate to attempt the formation of a new government, and on August 13 the customary pentapartite formula

won a vote of confidence from Parliament—but this time with the novelty of a Socialist Premier.

The weakness of the DC and the centrality of the PSI did not mean, however, that the Socialists would have a free hand in shaping the government's program. The 11.4 percent won by the PSI could in no sense be regarded as a mandate to implement the Socialist program. In fact, the negotiations that led to the formation of the Craxi government produced a Socialist Premier committed to the program of austerity favored by the Christian-Democrats and the Republicans. The PSI also found itself pressured into withdrawing from local governments formed in coalition with the Communists, wherever Communist votes could supply the margin to reproduce the national government formula at the local level.

In general terms, one could say that the debut of a Socialist Premier has not resolved what many see as the central problem in the Italian political system: the alternation in power of distinct political forces. No general streamlining and housecleaning of the state apparatus is conceivable without this alternation. But no genuine alternation is possible so long as the Communist party is excluded from the set of potential government parties. Thus, the resolution of the "Socialist question" is significant only insofar as it is a stepping stone toward the resolution of the "Communist question." ■

SPAIN

(Continued from page 168)

Spain's prospective admission to the EEC suffered a severe setback in 1983. The Community is currently undergoing a critical period of reorganization. And France showed clear signs of displeasure with the Spanish application for membership when the application was filed in 1962 and subsequently in 1977. This is not the place to detail the underlying political and economic reasons for France's opposition.¹⁴ In October, 1983, France again vetoed Spain's entry until the EEC has dealt with its fiscal and structural problems.

THE DOMESTIC ARENA

The PSOE was engulfed in a few controversial decisions during its first year in office. By far the most momentous concerned the government takeover of Rumasa, Spain's largest conglomerate, a vast empire that included 18 banks, 32 hotels, much of Spain's winery production (it was Spain's largest producer and exporter in 1982), supermarkets and department stores and huge real estate holdings. Rumasa controlled some 250 companies, employing over 40,000 people.

The government moved in February when it learned that much of the conglomerate was in serious financial trouble. It appointed a group of five administrators to

manage it and resolved to sell many of its companies to the private sector, while guaranteeing jobs, bank deposits and the continuing operation of most enterprises.

Fear was soon expressed that this was part of a Socialist plan to nationalize other areas of Spanish economic life, and the AP quickly moved to have the Constitutional Court rule on the constitutionality of the takeover. However, by the time the Court ruled to uphold the government in early December, the dust had already settled. The Socialists did not proceed with further nationalizations, although the government was vindicated when the auditors discovered that the empire was indeed crumbling and that it had swindled the government out of nearly \$10 million in 1981–1982 alone. Rumasa's president, José Ruiz Mateos, Spain's most powerful man, had fled to England. The question became whether the state could afford to keep the empire afloat at a cost that is estimated to be close to \$30 million annually.

The PSOE continued the social reform initiated by the UCD in 1981 with the legalization of divorce. A bill is being debated in the Cortes that will legalize abortion under exceptional circumstances, including rape, malformation of the fetus and when continued gestation constitutes a danger to the mother's health. The measure has been hotly debated both in and outside the Cortes by the AP and the Catholic church, which have vowed to take the matter to the Constitutional Court if it passes.

Another issue in which the Socialists have demonstrated their socially "progressive" stance involves marijuana; Spain was the first European country to legalize its private use. It must be pointed out that in the strictest sense this was never a criminal offence, although sentences for possession and smoking of marijuana were common. Legalization occurred as part of the overhaul of the criminal code. Trafficking in all drugs and the use of harder drugs, however, continue to carry criminal penalties.

CONCLUSION

Conscious of its mandate to continue and enhance the path of reform already established by previous administrations, the Spanish Socialist Workers party has become Spain's new political center; it has also become the party of the ideological center. González has consistently asserted his party's desire to appeal to the voters of the now defunct UCD, who now constitute over one-third of the Socialists' own support. He believes that voters want an improvement in social and economic conditions, which his party is now in a position to deliver. He also believes that most Spaniards want changes to be gradual. Strategically, he knows that if his party alienates centrist support, the resurrection of a new strong center party or a large exodus to the AP is not unlikely. The latter would increase the possibility that Spain might adopt an alternating two-party system. In either case, Socialist hegemony as the new center would cease.

The best chance for the Socialists' continued success

¹⁴See Serfaty, "Spain and the EEC: Marriage of Passion or Convenience?" Paper given to the European Politics Association meeting, Kingston, Ontario, December, 1982.

and for Spanish political stability in the short run lies in the transformation of the PSOE into the new party of the transition, forging ahead with badly needed change in the administrative and social structures of the country, while keeping a close watch on the moderate pulse of the nation. Despite some failures during its first year in office, the PSOE has moved in this direction. ■

NORWAY

(Continued from page 177)

toward militarism, for instance, have polarized to some degree. While the number of applicants for officers' training stands at a record level (probably attributable in part to unemployment), the number of conscientious objectors has recovered from a lull after a previous crest during the Vietnam War.

The threat of a nuclear holocaust looms as a brooding omnipresence, made all the more imminent, according to some critics, by the deployment of United States cruise and Pershing 2 missiles in West Europe. A general prejudice against nuclear fission runs deep in the Norwegian psyche; blessed with oil and hydroelectricity, Norway has no real need of nuclear power plants. Nuclear weapons remain utterly alien and in fact cannot be legally stationed in Norway. It was therefore with some irony that in November, 1982, Norway voted against a joint Swedish-Mexican resolution in the United Nations to freeze the world's nuclear arsenals at present levels, doubly so because the previous month the Norwegian Nobel Committee had awarded the Nobel Peace Prize to veteran antinuclear campaigners Alva Myrdal of Sweden and Alfonso García Robles of Mexico.

Another dilemma inevitably arose late last year when NATO deployed its new generation of medium-range missiles despite Soviet threats to leave the disarmament negotiations in Geneva. By a vote of 78 to 77, government-led deputies in the Parliament managed to defeat a resolution to postpone deployment. The Soviet news agency Tass declared that the government had thereby ignored the wishes of the Norwegian people. But Tass predictably remained silent about popular resentment of the Soviet refusal to remove its nuclear weapons from the Kola Peninsula, a move that would open the way for the popular Scandinavian proposal of a nuclear-free northern Europe.

Norwegians also resent what they perceive as Soviet

³Recent developments in Norwegian foreign policy are treated in *Norway's Security and European Foreign Policy in the 1980's* (Oslo: Universitetsforlaget, 1979), Kirsten Amundsen, *Norway, NATO and the Forgotten Soviet Challenge* (Berkeley: University of California Institute of International Studies, 1981), Hilary Allen, *Norway and Europe in the 1970's* (Oslo: Universitetsforlaget, 1979), Erik Solem, *The Nordic Council and Scandinavian Integration* (New York: Praeger, 1977), Robert E. Riggs and Jostein I. Mykletun, *Beyond Functionalism: Attitudes toward International Organization in Norway* (Oslo: Universitetsforlaget and Minneapolis: University of Minnesota Press, 1979), and John C. Ausland, *Norway, Oil, and Foreign Policy* (Boulder, Col.: Westview Press, 1979).

intransigence in reaching a mutually acceptable accord on fishing in the Barents Sea and Soviet refusal to respect Norway's airspace and territorial waters. Few Norwegians were particularly surprised when a Soviet submarine ran aground near Karlskrona, Sweden, in November, 1981. During that year there had been over a dozen reported sightings of foreign submarines in the fjords of western Norway. On the other hand, the United States, long respected as the liberator of West Europe after 1945, has never regained the prestige it enjoyed in Norway before the Vietnam War. Many Norwegians regard United States President Ronald Reagan as an irresponsible saber-rattler and find United States Ambassador Mark Evans Austad indiscreet in both word and deed.³

Small wonder that pessimism now runs deep in Norway. A public opinion poll conducted last year revealed that only 20 percent of the Norwegians believed their children would inhabit a better world, while 44 percent thought the future would be worse. Yet the Norwegians are a proud and globally conscious people, who realize that in many respects their society compares favorably with almost any other. ■

EUROPEAN-AMERICAN RELATIONS

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(in fact nonexistent) Soviet moratorium on SS-20 deployments in the European areas of the Soviet Union, the acceleration of deployment of "operational-tactical missiles of increased range" in East Germany and Czechoslovakia (SS-21's, SS-22's, and SS-23's), and the deployment of even more sea-based missiles near the United States. The Soviet Union used NATO's initial INF deployments as an excuse to follow through with what had long been planned and was in fact already under way.

The Soviet proposals in the Strategic Arms Reduction Talks (START) included a demand that NATO's INF modernization program be cancelled. It was therefore not surprising when, on December 8, 1983, the Soviets refused to set a date for the resumption of START negotiations and gave the initial NATO missile deployments as the reason. According to Andropov, the Soviet Union would resume the two nuclear negotiations only "if readiness is expressed on the part of the NATO countries to return to the situation which . . . existed prior to the start of the deployment of U.S. medium-range missiles in Europe."

This Soviet position will test the cohesion of the Western alliance. NATO holds that the Soviet Union left the negotiations without justification and that NATO should simply stay ready for renewed negotiations. The United States would be prepared to halt or reverse the deployments under way, if appropriate arms control agreements were reached. Particularly in Europe, however, there are calls for a "return-to-Geneva strategy" based on Western

concessions to lure the Soviet Union to return. For example, some Europeans have proposed a moratorium in further NATO INF deployments. This would, however, enable the USSR to achieve major objectives in advance of any actual negotiations. Soviet INF superiority would remain intact. Unreasonable Soviet behavior in staying away from the negotiations would thus be rewarded. Another "return-to-Geneva" proposal, to merge the START and INF negotiations, would not necessarily entail any Western concessions, but such a merger might complicate the process of reaching timely, balanced and useful accords.⁹

At the government level, implementation of the December, 1979, decision has so far not provoked a European-American crisis. Although Denmark, Spain and Greece have repeatedly reserved their positions on INF, the rest of the alliance emphatically endorsed the implementation of the 1979 decision in the Declaration of Brussels of December 9, 1983.

Partly as a result of the strong support for implementation of the decision as a whole by the governments of Britain, France, Italy, West Germany, Norway, and others, the alliance has handled implementation with relative calm and effectiveness. Despite complaints that United States consultations during the negotiations were inadequate, particularly with respect to the July, 1982, "walk in the woods" conversations,¹⁰ most allied governments recognize that United States negotiations policy was in fact allied policy determined in the Special Consultative Groups.

At the popular level, however, implementation of the INF double-track decision has entailed potentially harmful polarization of opinion. In Britain and West Germany, opponents of NATO's missile deployments brandished opinion polls suggesting that a majority of the population backed their position.¹¹ In each case, the policies of major opposition parties were heavily influenced by the anti-INF protest movements. Prominent spokesmen like Willy Brandt of West Germany's Social Democratic party (SPD) and Denis Healey of Britain's Labour party demanded that NATO accept Soviet-proposed terms for an INF agreement.

Although in elections in 1983, the voters confirmed Chancellor Helmut Kohl, the Christian Democrat, and Prime Minister Margaret Thatcher, the Conservative,

⁹The "pros and cons" of a START-INF merger are examined in David S. Yost, "START, INF and European Security," *The World Today*, vol. 39 (November, 1983).

¹⁰For examples see Helmut Schmidt in *International Herald Tribune*, May 23, 1983, and in *Die Welt*, November 21, 1983; and Pieter Dankert, "Europe Together, America Apart," *Foreign Policy*, no. 53 (Winter 1983-1984), p. 26. Dankert is the president of the European Parliament.

¹¹Figures of 65 percent against NATO INF deployment in West Germany and 51 percent in Britain were cited, respectively, in the *Washington Post*, August 7, 1983, and *The New York Times*, October 31, 1983.

¹²*White Paper 1983: The Security of the Federal Republic of Germany*, pp. 164, 193.

the radicalization of Labour and the SPD represented an end to national consensus on the basic principles of NATO defense policy in Britain and West Germany. Both Labour and the SPD adopted platforms in favor of creating nuclear-weapons-free zones in their countries. West German polarization is more serious in that the Green party, represented in the Bundestag since March, 1983, recommends that the Federal Republic leave NATO and pursue closer relations with East Germany and other countries to the East to achieve a "European peace order"—a vision that is attractive to some in the SPD. Similar polarization has raised doubts about deployment in Belgium and the Netherlands.

The United States nuclear presence in West Europe is part of the essence of the European-American alliance. Yet during the past four years, broad sectors of the public have been influenced by efforts to delegitimize the American nuclear presence. Some observers feel that the anti-INF protests will lose momentum as NATO's deployments proceed. Others contend, perhaps correctly, that unforeseeable events could trigger a renewal of the protest movements, especially if negotiations remain suspended and in light of the long schedule for NATO INF deployments. Even if the protest movements wane, they constitute a key part of the political socialization of much of the successor generation in West Europe.

The strategic implications of NATO's INF decision must be considered from the Soviet perspective before NATO's viewpoint is critically examined. The U.S.S.R. has undoubtedly noted that NATO governments do not intend to match Soviet LRINF missile deployments numerically. The West German government, for example, has repeatedly declared that it is "not necessary for the purpose of effective deterrence to counterbalance Soviet superiority in intermediate-range nuclear missiles with the same number of similar systems on the NATO side," and that "NATO . . . is deliberately abstaining from matching the Soviet Union's arsenal."¹²

NATO has taken a position of planned inferiority not only because no European constituency supports matching Soviet capabilities, but also because West Europeans generally believe that parity in LRINF missiles could foster the notion of a separate INF balance, implying a decoupling from United States strategic nuclear forces.

All NATO arms control proposals have asked the Soviet Union to destroy existing Soviet capabilities in order to reduce them to numerical equality with United States systems in Europe—or even to destroy all Soviet LRINF missiles. How must this look from the Soviet perspective? NATO has offered the Soviet Union a choice: parity with the United States in an arms control regime strictly limiting Soviet missile reload capability and otherwise constraining Soviet freedom of action, versus superiority over the United States with no negotiated constraints on Soviet programs. The latter course may have greater intrinsic appeal to Soviet decision-makers. Permitting superiority gives the Soviet Union no incen-

tive to settle for anything but superiority.

Moreover, the NATO arms control proposals providing for Soviet-American equality in LRINF missiles invite the Soviet Union to consent to NATO INF deployments. In accepting such deployments, the Soviet Union would grant them legitimacy, forfeiting its efforts to mobilize West European publics against them. Why should the Soviet Union provide this assistance to NATO and in effect help the United States elaborate a deterrent posture intended to neutralize Soviet options? The Soviet Union would prefer to try to convince West Europeans that the United States is an unreliable and inadequate security guarantor, and that West Europe can avoid war by cooperating with Soviet "socialism" in building an "all-European" system of "military détente." America's military and nuclear presence in West Europe and its extended deterrent commitments constitute major obstacles to these Soviet objectives.

It is also understandable that NATO found the proposed Soviet terms for an INF agreement unacceptable. All Soviet proposals provided for a Soviet monopoly in LRINF missiles instead of effective constraints on Soviet INF capabilities, which would continue to expand through missile reloads, shorter-range missiles and aircraft. NATO continues to envisage two hypothetical outcomes, if INF negotiations resume and an agreement is concluded: either the "zero option" or an "interim agreement" for Soviet-American parity. The West German State Secretary for Defense, Lothar Ruehl, has suggested that the "optimal solution of the problem for arms control" (i.e., the "zero option") may not necessarily be strategically desirable:

It is imperative for the security of those countries in the Western part of the continent, which . . . are only a few early-warning minutes away from missiles stationed in West Russia, that an effective counter-threat exerts a reliable influence on the military success and risk calculations made by the Soviet leadership.¹³

An interim agreement providing for equality in the number of LRINF missile launchers would mean operational inferiority for NATO. The single-warhead Pershing 2's and GLCM's are qualitatively equal to the triple-warhead SS-20's only in that all three types of systems fit into the broad category of longer-range INF. According to significant performance characteristics, the Pershing 2-GLCM combination will be inferior to the SS-20. The Pershing 2's and GLCM's are inferior to the SS-20 in range by thousands of kilometers; in survivability, because of the greater peacetime mobility of the

SS-20 (NATO depends on Soviet cooperation in providing warning time for the dispersal of its INF); and in reloadability, because NATO has deliberately decided not to have reloads, a decision that would be politically difficult to alter. In addition, the GLCM's are far inferior to the SS-20 in flight time and in their ability to penetrate defenses. Operational and numerical inferiority is deemed irrelevant by those who consider that the main purpose of NATO's INF is to link European security with United States strategic nuclear forces.

Another hypothetical solution would be the full deployment of NATO's planned 572 LRINF missiles with no limits on Soviet LRINF missiles. This could also perpetuate Soviet INF superiority, given the deliberately planned numerical inferiority implicit in the December, 1979, decision. Soviet superiority in longer-range INF missiles would be supplemented by Soviet superiority in INF aircraft and in shorter-range missiles like the SS-21, the SS-22, and the SS-23. Without even considering the 3-to-1 Warsaw Pact superiority in nuclear-capable aircraft or Soviet missile reloads, the Soviet advantage over the United States in land-based missiles in Europe after the full deployment of 572 Pershing 2's and GLCM's has been projected as 4 to 1 in warheads on launchers and 6.4 to 1 in megatonnage.¹⁴

The "coupling mechanism" rationale for the NATO missile deployments is also debatable. Neither an "interim agreement" on partial deployment of planned NATO intermediate-range nuclear forces nor a full deployment of 572 Pershing 2's and GLCM's would necessarily result in the "extended deterrence" envisaged in December, 1979. If the United States fails to reduce its vulnerability in ICBM's and does not remedy other strategic force deficiencies, the question of United States credibility will almost certainly reemerge. West Europeans might well ask why the United States should threaten to engage in limited INF strikes against the Soviet Union in a crisis when vital American nuclear forces and American society are so vulnerable.

It is in this context that the INF deliberations appear as important as Mitterrand suggested and fundamental to NATO's deterrent effectiveness. While NATO faces many other basic challenges (including air defense, chemical weapons, conventional force improvements, battlefield nuclear modernization, defense expenditure burden-sharing, and "out of area" issues like threats to the Middle East-Persian Gulf region), all these challenges could be ultimately of secondary importance if NATO discovered in a crisis that Soviet nuclear superiority gave the Soviet Union an ability to dominate the escalation process and dictate terms to the West. Such a possibility is considered more frequently in the United States than in West Europe, because of differing judgments about the nature of the Soviet Union and related threat assessments and about the requirements for a credible Western deterrent, including ballistic missile defense and other strategic defenses.¹⁵ ■

¹³Lothar Ruehl, "Das strategische Angebot an die Sowjetunion," *Frankfurter Allgemeine Zeitung*, March 4, 1983.

¹⁴Donald R. Cotter, James H. Hansen, and Kirk McConnell, *The Nuclear "Balance" in Europe: Status, Trends, Implications* (Washington, D.C.: United States Strategic Institute, 1983), p. 16.

¹⁵For background see David S. Yost, "Ballistic Missile Defense and the Atlantic Alliance," *International Security*, vol. 7 (Fall, 1982).

THE MONTH IN REVIEW

A Current History chronology covering the most important events of February, 1984, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Arms Control

(See also *Canada*)

- Feb. 7—The 1984 United Nations Conference on Disarmament opens in Geneva; the Soviet delegate, Viktor L. Israelyan, says that U.S. President Ronald Reagan's arms control proposals are "pompous appeals."
- Feb. 21—The Soviet Union says that it would allow continuous verification of its destruction of chemical weapons if chemical weapons were banned.

Iran-Iraq War

(See also *U.S., Foreign Policy*)

- Feb. 11—The Iraqi military launches a rocket attack on the unarmed civilian population of Dizful, Iran. 8 people are reported killed.
- Feb. 12—Iranian artillery retaliates for yesterday's Iraqi attack, shelling 3 Iraqi cities.
- Feb. 14—The Iraqi Foreign Ministry announces that it is proposing a truce and will halt further attacks on Iranian towns.
- Feb. 16—Iraq announces that it has begun a major offensive against Iraq; Iraq says that it has sunk 5 Iranian ships.
- Feb. 23—Continuing its offensive, Iranian troops begin a major drive toward the Iraqi oil port of Basra.
- Feb. 24—Iranian President Hojatolislam Ali Khamenei reiterates Iran's threat to "close" the Strait of Hormuz, the outlet from the Persian Gulf through which flows 18 percent of the world's oil.
- Feb. 26—Iraq says that it has launched air attacks against 2 Iranian cities; both countries issue conflicting reports on the progress of the Iranian offensive, Iran saying that it is pushing ahead toward a strategic highway between Basra and Baghdad and Iraq saying that it has crushed the Iranian offensive.
- Feb. 28—Iraq says that Iraq did not attack Iran's Kharg Island oil terminal yesterday; Iraq renews its warning to sink any transport ships approaching the island.

Lebanon Crisis

(See also *UN; France; Israel; Syria; U.S., Foreign Policy, Military*)

- Feb. 2—Lebanese government officials say that a large battle between government troops and Druse and Shiite militiamen has erupted in Beirut and the surrounding hills.
- Feb. 4—Nabih Berri, the head of the Shiite Muslims in Lebanon, calls on Muslim Cabinet ministers to leave the government and says that Muslim soldiers should disobey orders to fight; Berri says that the army's bombing of Shiite neighborhoods prompts his call.
- Feb. 5—The U.S. government says that it still backs the government of President Amin Gemayel; it asks Gemayel to include disenfranchised Druse and Shiites in his government.
- Prime Minister Shafik al-Wazzan, a Sunni Muslim, and his 9-member Cabinet resign; Wazzan calls for the formation of a new government.
- President Gemayel's government issues an 8-point program for national reconciliation.
- Feb. 6—Shiite and Druse militiamen secure control of most of

Muslim West Beirut; after routing the Lebanese army from the area, they demand Gemayel's resignation.

U.S. President Reagan authorizes the use of U.S. naval and air forces to support Gemayel and to protect U.S. citizens and troops.

- Feb. 7—President Reagan announces that he is redeploying the U.S. Marine contingent of the multinational peacekeeping force to ships off Beirut; he also says that American naval firepower will strike at any force firing into Beirut.
- Feb. 8—U.S. ships, including the U.S.S. *New Jersey*, bombard Druse and Syrian gun positions surrounding Beirut for more than 9 hours.

The 115-man British contingent of the multinational peacekeeping force withdraws from Beirut to ships offshore.

Italy orders the gradual withdrawal of its 1,600 troops in the multinational peacekeeping force.

- Feb. 9—A U.S. destroyer bombards Druse and Syrian artillery emplacements overlooking Beirut.

The official Syrian radio reports that the Syrian government will be "compelled to react" if the U.S. continues its bombardments.

- Feb. 10—More than 400 Americans are evacuated from Beirut; Lebanese and British civilians are also evacuated.
- Feb. 15—The remaining positions of the Lebanese army are overrun in southern Beirut; the Druse and Shiite militiamen effectively control all Beirut except the Christian eastern section of the city.

France calls on the UN to begin discussions on an international peacekeeping force to replace the disintegrating multinational force.

President Gemayel signs an 8-point plan for the overall settlement of the Lebanese conflict; the plan calls for the abrogation of the May 17, 1983, peace and security agreement with Israel.

- Feb. 16—Western military officials report that only 12,000 of the army's 22,000 men are still loyal to the government.
- Feb. 17—Opposition leaders reject Gemayel's 8-point plan; they call for Gemayel's resignation.
- Feb. 20—The Italian contingent of the multinational force completes its withdrawal from Beirut.
- Feb. 21—Israeli jets bomb 4 areas in Lebanon.

U.S. Marines begin to withdraw from the Beirut Airport to U.S. ships offshore.

- Feb. 26—The U.S. Marine contingent completes its withdrawal from Beirut; its positions are occupied by Shiite militiamen.
- Feb. 29—President Gemayel holds talks with Syrian President Hafez Assad in Damascus; discussions reportedly center on Lebanon's abrogation of the May 17 agreement with Israel.

North Atlantic Treaty Organization (NATO)

(See also *Germany, West*)

- Feb. 24—West German General Hans-Joachim Mack is named Deputy Supreme Commander in Europe; he replaces German General Günter Kiessling.

South African Development Coordination Conference (SADCC)

- Feb. 3—A 2-day conference ends; the closing communiqué

welcomes the conciliatory stance South Africa has taken toward Angola and Mozambique.

United Nations (UN)

- Feb. 15—U.S. Assistant Secretary of State Gregory Newell says that the U.S. might reconsider its decision to withdraw from UNESCO (the United Nations Educational, Scientific and Cultural Organization) if UNESCO makes serious efforts to change its procedures and programs.
- Feb. 21—The U.S. State Department presents a report to the UN that says there has been no confirmed use of chemical weapons in Afghanistan, Laos and Cambodia in 1983.
- Feb. 29—A Security Council proposal to send an international peacekeeping force to Beirut is vetoed by the Soviet Union.

AFGHANISTAN

- Feb. 7—Unnamed Western diplomats in New Delhi report that several hundred Afghan civilians have been killed by Russian troops; the troops are striking at civilian areas in order to drive out guerrillas.

ANGOLA

(See *South Africa; U.S., Foreign Policy*)

ARGENTINA

(See also *U.K., Great Britain*)

- Feb. 1—The Senate approves a bill that limits the power of civilian courts to prosecute military officials who took part in the "dirty war" against civilians in the 1970's.
- Feb. 4—Ernesto Sabato, the president of the National Commission on the Disappearance of Persons, says that a grave containing 700 bodies has been found at Cordoba.
- Feb. 20—The federal police report that a retired admiral, Rúben Chamorro, was arrested yesterday in South Africa; Chamorro is accused of running a torture center where 4,000 people "disappeared."
- Feb. 21—Former President Leopoldo Galtieri is placed under arrest; a military court ordered the arrest for an investigation into his conduct during Argentina's war with Great Britain over the Falkland Islands in 1982.
- Feb. 23—Two other military commanders in the Falklands war have been arrested in the last 2 days.

BRAZIL

- Feb. 6—U.S. Secretary of State George Shultz signs an agreement with the Brazilian government that allows the Brazilian arms industry to receive sophisticated technology from the U.S. for its weapons manufacture.

BRUNEI

- Feb. 23—The government celebrates its independence from Great Britain.

CANADA

- Feb. 16—Prime Minister Pierre Elliott Trudeau says that after talking with Soviet Communist party General Secretary Konstantin U. Chernenko he believes that the Soviet Union would take part in a 5-nation conference on arms reductions.
- Feb. 17—Officials from the U.S. and Canada meet in Washington, D.C., to discuss duty-free trading between the 2 countries.
- Feb. 22—Ambassador to the U.S. Allan E. Gotlieb delivers a diplomatic protest to the U.S. State Department because of the U.S. government's inaction on acid rain reduction proposals.
- Feb. 29—Prime Minister Trudeau announces that he will resign; he says that he will stay in office until a successor is chosen at the Liberal party conference in June.

CHINA

- Feb. 1—The government announces that it is restoring diplomatic relations with the Netherlands; the Dutch government has agreed not to sell military equipment to Taiwan.
- Feb. 10—The Trade Ministry announces that a \$1.2 billion-trade agreement has been signed with the Soviet Union; this would be almost double the amount of trade between the 2 countries in 1983.
- Feb. 20—The government announces that Deputy Prime Minister Wan Li will attend the funeral of Soviet President Yuri Andropov; he will be the highest-ranking Chinese official to visit the Soviet Union in 2 decades.

EGYPT

(See also *Israel; U.S., Foreign Policy*)

- Feb. 3—President Hosni Mubarak arrives in Kenya for talks with President Daniel arap Moi.
- Feb. 11—Mubarak talks with French President François Mitterrand in Paris; he announces that he will discuss a joint French-Egyptian peace plan for the Middle East with U.S. President Ronald Reagan.

EL SALVADOR

(See also *U.S., Foreign Policy*)

- Feb. 2—Former U.S. Ambassador to El Salvador Robert E. White tells reporters that President Ronald Reagan's administration is covering up information on 6 Salvadoran exiles living in Miami who direct death squad activities in El Salvador.
- Feb. 9—Guillermo Manuel Ungo, a leader of the political wing of the leftist guerrillas, tells a news conference in Mexico City that although the guerrillas will not disrupt the elections scheduled for March, they will have "no credibility" because the guerrillas are not participating.
- Feb. 6—*The New York Times* reports that a classified investigative report prepared for the State Department shows that Salvadoran officials covered up information regarding the 1980 killing of 4 U.S. churchwomen by Salvadoran national guard troops.
- Feb. 23—Roberto Ismael Ayala is killed in San Salvador; he is the 4th right-wing politician to be killed in 2 years.

ETHIOPIA

- Feb. 4—17 members of an anti-government group, including 3 colonels and a major, are arrested for posting leaflets.
- Feb. 6—A spokesman for the U.S. Embassy in Addis Ababa confirms that 4 U.S. diplomats have been expelled for being imperialist agents.

FRANCE

(See also *Intl, Lebanon Crisis; Egypt*)

- Feb. 1—U.S. Ambassador to France Evan G. Galbraith is called into the Prime Minister's office and reprimanded for disparaging remarks about the French Communist party.
- Feb. 5—Foreign Minister Claude Cheysson meets in Tripoli with Libyan Head of State Muammar Qaddafi.
- Feb. 7—Former Iranian General Gholam Ali Oveissi and his brother are killed in Paris; Oveissi was known by opposition groups as "the butcher of Teheran" when he was the martial law administrator in 1978.
- Feb. 8—The United Arab Emirates' ambassador to France is shot and killed in Paris; no group takes responsibility.
- Feb. 12—President François Mitterrand says that the French contingent of the multinational peacekeeping force will stay in Beirut until there is a reconciliation among Lebanon's warring factions.
- Feb. 17—The government orders the police to break up a truckers' blockade of major highways.
- Feb. 19—The government announces that it will hold talks

with striking truckers, who demand reimbursement for time lost when government customs agents went on strike, stranding many truckers at the country's borders.

Feb. 24—Truckers begin to remove their roadblocks after the government agrees to discuss all their demands.

GERMANY, EAST

(See *Germany, West*)

GERMANY, WEST

(See also *Intl, NATO*)

Feb. 1—Chancellor Helmut Kohl announces an agreement that will allow Defense Minister Manfred Wörner to stay at his post; General Günter Kiessling will return to active duty. Wörner had dismissed Kiessling for alleged homosexual conduct and as a security risk. The general has denied the charges.

Feb. 9—Gert Bastian, a retired army general, resigns from the Green party and the Bundestag to protest the growing influence of a Marxist-Leninist faction in the party.

Feb. 25—A government official reports that 5 relatives of the East German Prime Minister are seeking political asylum in the West German embassy in Czechoslovakia.

GRENADA

Feb. 22—18 former military and political leaders appear in court; 11 of the 18 are accused of murdering Prime Minister Maurice Bishop and 7 other government officials in a coup in 1983.

GUATEMALA

Feb. 10—The opposition Christian Democratic party calls for the resignation of Interior Minister Gustavo Adolfo López Sandoval, because he has not stopped the recent surge of political violence.

GUYANA

(See *U.S., Foreign Policy*)

HAITI

(See *U.S., Foreign Policy*)

HONDURAS

Feb. 5—Senator Jim Sasser (D., Tenn.) tells a news conference in Tegucigalpa that his investigation has revealed that the U.S. military is apparently engaged in a substantial buildup of military facilities in Honduras without congressional approval.

Feb. 23—Unnamed government officials say that the U.S. plans to hold major training exercises in Honduras for at least the next 20 years.

INDIA

Feb. 8—Punjab state is disrupted by a day-long strike called by Sikh militants; the Sikhs are demanding autonomy for Punjab.

Feb. 22—11 Hindus are killed by Sikh militants; almost 50 people have been killed in Punjab since a general strike was called February 15 by the Hindus to protest the Sikh attacks.

IRAN

(See *Intl, Iran-Iraq War; France; U.S., Foreign Policy*)

IRAQ

(See *Intl, Iran-Iraq War*)

ISRAEL

(See also *Intl, Lebanon Crisis*)

Feb. 5—The Cabinet issues a statement informing Israeli

residents of the occupied West Bank and the Gaza Strip that they are not immune to the law.

Feb. 7—The Justice Ministry releases an internal report showing a pattern of official leniency to Jewish settlers who have committed violent crimes against Arabs on the occupied West Bank.

Feb. 12—A Jewish terrorist group, Terror Against Terror, claims responsibility for recent attacks against Muslim and Christian buildings in Jerusalem.

Feb. 15—Defense Minister Moshe Arens says he worries about Egypt's commitment to peace with Israel; Egyptian President Hosni Mubarak blamed Israel recently for the troubles in Lebanon.

Feb. 16—Prime Minister Yitzhak Shamir says that Israel will not abrogate the May 17, 1983, peace treaty with Lebanon.

In Jezzín, Lebanon, Defense Minister Arens says Israel will remain in Lebanon until there is a central government that can provide security for southern Lebanon and northern Israel.

ITALY

(See also *Intl, Lebanon Crisis*)

Feb. 15—Leamon R. Hunt, a U.S. diplomat who headed the multinational peacekeeping force in the Sinai, is shot and killed in Rome.

Feb. 17—The Red Brigades terrorists claim responsibility for Hunt's killing.

Feb. 18—Prime Minister Bettino Craxi and Vatican Secretary of State Agostino Cardinal Casaroli sign a concordat whereby Roman Catholicism ceases to be the state religion of Italy.

JORDAN

(See also *U.S., Foreign Policy*)

Feb. 26—Yasir Arafat, chairman of the Palestine Liberation Organization (PLO), meets with King Hussein in Amman to discuss possible Jordanian intercession with Israel on the status of the West Bank; the talks were broken off last year because of radical opposition in the PLO.

KENYA

(See also *Egypt*)

Feb. 29—Abdi Sheik, a member of Parliament, accuses the government of allowing soldiers and police to kill at least 300 people of the Degodia tribe; Sheik says that the government wants to wipe out the tribe.

KOREA, SOUTH

Feb. 25—President Chun Doo Hwan grants 202 people the right to engage in political activity after they had been banned from politics by the government.

LEBANON

(See *Intl, Lebanon Crisis; Israel; Syria; U.S., Foreign Policy, Military*)

LIBYA

(See *France*)

MEXICO

Feb. 5—The government announces that it is enacting new rules to counter the corrupt practices involved in the letting of government contracts.

Feb. 7—President Miguel de la Madrid Hurtado calls on the U.S. to lessen its emphasis on military interventions in Central America.

Feb. 16—The government announces that it will allow foreign businesses to own a majority share in companies that locate in Mexico.

Feb. 27—The Mexican Foreign Ministry denounces remarks made by General Paul F. Gorman, head of the U.S. Southern Command, as dangerous; Gorman recently said that Mexico has "the most corrupt government and society in Central America" and that it could be "the number 1 security problem" for the U.S.

MOZAMBIQUE

Feb. 7—The government orders the expulsion of Joe Slovo, a white member of the the African National Congress; a government official says that South Africa requested the action during recent security talks.

Feb. 20—In Maputo, Mozambican and South African officials announce that they intend to enter into a security agreement pledging "not to allow any form of subversion against each other."

NAMIBIA

(See *U.S., Foreign Policy*)

NETHERLANDS

(See *China*)

NICARAGUA

Feb. 2—Tomás Borge, minister of the interior, says that the government will provide financial subsidies to opposition parties and guarantee them television and radio time in the upcoming elections.

Feb. 4—The government announces an indefinite delay in elections; it says that recent air attacks on 2 targets by U.S.-backed guerrillas were ordered by the U.S.

Feb. 6—The government reverses its February 4 decision.

Feb. 21—Daniel Ortega Saavedra, Coordinator of the Sandanista government, announces that elections will be held on November 4, 1984, and that the voting age will be lowered to 16.

NIGERIA

Feb. 11—The military government issues new allegations detailing corruption among politicians in the overthrown government of President Shehu Shagari.

Feb. 12—The head of the military government, Major General Mohammed Buhari, says that the country cannot afford to hold elections because it does not have the money.

PAKISTAN

Feb. 13—President Mohammad Zia ul-Haq says that the government has no plans to make a nuclear bomb; on February 9, a top nuclear scientist in Pakistan, Abdul Qadir Khan, said that Pakistan could produce its own nuclear weapon if necessary.

PANAMA

Feb. 13—President Ricardo de la Espriella resigns; he is replaced immediately by Vice President Jorge Illueca. No reason is given for the resignation.

PERU

Feb. 11—Government prosecutors say that they have ordered the arraignment of 26 policemen accused of killing 31 Indians.

PHILIPPINES

Feb. 1—President Ferdinand Marcos signs into law 4 constitutional amendments that were approved in a referendum last week; one of the amendments restores the office of the Vice President.

POLAND

Feb. 15—Roman Catholic Church officials report that Jozef Cardinal Glomp has begun to transfer pro-Solidarity priests from their parishes; the government has asked for the action.

Feb. 20—At least 2,000 people attend a mass in Ursus to protest Cardinal Glomp's transfer of a pro-Solidarity priest.

Feb. 21—The Reverend Mieczyslaw Nowak tells reporters that he will leave his parish in Ursus in accordance with the wishes of Cardinal Glomp.

SAUDI ARABIA

(See *Intl, Lebanon Crisis; Syria*)

SOUTH AFRICA

(See also *Intl, SADCC; Mozambique; U.S., Foreign Policy*)

Feb. 8—Dennis Hurley, a Roman Catholic Archbishop, releases a South African Council of Churches report showing that almost 3.5 million black, Asian and mixed race peoples were forcibly relocated by the government between 1960 and 1982.

Feb. 16—Foreign Minister Roelof F. Botha says that South Africa and Angola have agreed to set up a joint commission to monitor the withdrawal of South African troops from southern Angola.

Feb. 25—Delegations from Angola and South Africa meet in southern Angola to discuss further a truce negotiated last month.

SPAIN

Feb. 24—Workers in the Basque region begin a 24-hour strike to protest the killing of a Basque Socialist politician yesterday; a Basque guerrilla group has taken responsibility for the killing.

Feb. 26—Regional elections for Parliament are held in the Basque country. The Basque Nationalist party wins 32 seats; the Socialist party, 19; and the political wing of the Basque guerrilla organization E.T.A., 7.

SURINAME

Feb. 3—An interim Cabinet led by Prime Minister Wim Edenhout is sworn in; a formal Cabinet is to take over in about 6 months, once "durable democratic structures" are developed.

SWITZERLAND

Feb. 12—The Socialist party votes 773 to 511 to stay in the 4-party coalition that has ruled for the last 24 years.

SYRIA

(See also *Intl, Lebanon Crisis; U.S.S.R.*)

Feb. 7—In a meeting with prominent Sunni Muslim leaders from Lebanon, President Hafez Assad says he supports Lebanon's "unity and territorial integrity."

Feb. 17—The official press agency says that the government rejects the 8-point peace plan for Lebanon that Saudi Arabia has helped arrange; the Syrians do not want any portion of the May 17, 1983, peace agreement between Israel and Lebanon to go into effect; the Saudi plan would implement parts of the agreement.

TUNISIA

Feb. 3—Prime Minister Mohammed Mzali says that the government is imposing an 11 percent increase in the price of bread and implementing other austerity measures; last month 110 people were killed when food riots erupted after the government tried to raise some food prices 110 percent.

TURKEY

Feb. 18—The Foreign Ministry announces that the U.S. and Turkey have agreed to cooperate further on military matters, including the modernization of Turkey's military.

U.S.S.R.

(See also *Intl, Arms Control, UN; Afghanistan; Canada; China; U.S., Foreign Policy*)

Feb. 8—The government announces that Geidar A. Aliyev, a member of the Politburo and First Deputy Prime Minister, will make a "brief working visit" to Damascus, Syria.

A Soyuz T-10 rocket with 3 men aboard is launched from the Baikonur space center in Kazakhstan.

Feb. 10—Government radio and television announce that President Yuri Andropov died yesterday after a long illness; Andropov had not been seen in public since August, 1983.

Feb. 13—Konstantin U. Chernenko is chosen to replace Andropov as General Secretary of the Communist party; Chernenko, 72, is the oldest man ever named to lead the party.

Feb. 14—Andropov is buried in Red Square; Chernenko eulogizes Andropov as a Communist of "unbending will, modesty and ability, and concern for the working man."

Feb. 16—Yuri F. Orlov, a Soviet human rights activist, has been released from prison, according to Western diplomats in Moscow; Orlov is to spend 5 years in internal exile in Siberia.

Feb. 24—Defense Minister Dmitri F. Ustinov says that Chernenko has the "unanimous approval" of the armed forces.

UNITED ARAB EMIRATES

(See *France*)

UNITED KINGDOM

Great Britain

(See also *Intl, Lebanon Crisis; Brunei*)

Feb. 2—The British Foreign Office reports that secret talks with Argentina on the future of the Falkland Islands have been in progress for the last 2 months.

UNITED STATES

Administration

Feb. 1—According to the Office of Management and Budget, the budget presented to Congress will show a deficit of \$180.4 billion for fiscal 1985; additional government spending not reflected in the congressional budget will bring the deficit to \$274.4 billion.

President Ronald Reagan sends his proposals for the 1985 budget to Congress; the budget calls for expenditures of \$925.5 billion with a deficit of \$180.4 billion, a delay of major tax increases, and a 14.5 percent increase in military spending.

Feb. 2—In his annual economic report to Congress, President Reagan calls the next decade's budget deficits "totally unacceptable to me," but says major changes must wait until after the elections in November, 1984.

Feb. 3—The Environmental Protection Agency (EPA) bans the use of the pesticide ethylene dibromide (EDB) on grain products; the agency also announces guidelines for safe residues of the pesticide in grains and foods already contaminated.

Secretary of the Treasury Donald T. Regan tells the Senate Budget Committee to "throw away" the 343-page economic report prepared by the President's chief economic adviser, Martin Feldstein, because only the 8-page opening statement reflects the President's views.

Feb. 6—President Reagan celebrates his 73rd birthday in his

hometown, Eureka, Illinois.

Feb. 9—Administration officials and a bipartisan committee from the House and Senate confer on ways to reduce the U.S. budget deficit.

Feb. 10—Secretary of the Interior William Clark announces that his department will postpone the sale of major coal leases in New Mexico until 1985 pending a decision on which lands are to be protected.

Feb. 11—The Immigration and Naturalization Service and the Justice Department announce a decision to offer legal status under the 1966 Cuban Adjustment Act to some 100,000 Cubans who entered the U.S. in 1980; some 7,200 Haitians who also entered the U.S. in 1980 will not be offered legal status and residency.

Feb. 22—The EPA proposes mandatory federal limits on EDB residues in grain-based foods; the proposal has been published in the *Federal Register*.

Feb. 23—The Census Bureau reports an increase of 47.1 percent in poverty between 1979 and 1982; the report takes account of the value of food stamps, public housing, and Medicare and Medicaid benefits in a poor person's income.

The Justice Department finds "no credible evidence" that a crime was committed in the 1980 presidential political campaign when briefing papers prepared for President Jimmy Carter were obtained by President Reagan's campaign committee.

Feb. 24—President Reagan signs an executive order authorizing the Transportation Department to coordinate a program allowing private companies to launch their own space satellites.

Feb. 26—Deputy Director of the U.S. Information Agency Leslie Lenkowsky reports that the destruction of records indicating why some 84 to 100 people were blacklisted as possible speakers in an overseas speakers' program was "an inappropriate management practice" and declares that "it was not correct to destroy those review lists."

Feb. 27—President Reagan appoints Jack Courtemanche as director of the General Services Administration.

Feb. 28—Ending its 3-day winter meeting in Washington, D.C., the National Governors Association adopts a resolution calling for higher taxes and less military spending.

Civil Rights

Feb. 2—The Justice Department files suit under the 1980 Civil Rights of Institutionalized Persons Act against the city of Newark, New Jersey; the suit charges that the city maintained "egregious and flagrant unconstitutional conditions" in the city's jails.

Economy

Feb. 3—The Labor Department reports that the nation's unemployment rate fell to 7.9 percent in January.

Feb. 10—The Labor Department reports that its producer price index rose 0.6 percent in January.

Feb. 17—The Commerce Department reports that the nation's gross national product (GNP) rose at an annual rate of 4.9 percent in the last quarter of 1983; for the whole of 1983 the GNP rose 3.3 percent.

Feb. 22—The Congressional Budget Office reports that it projects a federal deficit in 1985 of \$192 billion, rising to \$248 billion in 1989. The administration estimates lower deficits for the period.

Feb. 24—The Labor Department reports that its consumer price index rose 0.6 percent in January.

Feb. 29—The Commerce Department reports that its index of leading economic indicators rose 1.1 percent in January.

The Commerce Department reports that the U.S. trade deficit in January was a record \$9.47 billion.

Foreign Policy

(See also *Intl, Arms Control, Lebanon Crisis, UN; Brazil; Canada; Egypt; El Salvador; Ethiopia; France; Honduras; Italy; Mexico; Nicaragua; Turkey*)

Feb. 4—The State Department reports that on January 30, 1984, Secretary of State George Shultz certified to Congress that Haiti should continue to receive U.S. aid despite "serious human rights abuses."

Feb. 6—Secretary Shultz arrives in Brasilia, Brazil.

Feb. 7—The Treasury Department reports that at a meeting of the Inter-American Development Bank on January 18, the U.S. voted to grant a \$42-million loan to Guyana to improve Guyana's rice production; the U.S. had previously voted against the loan.

Feb. 8—White House officials say that President Reagan initiated moves for withdrawing U.S. Marines from Lebanon on January 21.

In Bridgetown, Barbados, Secretary Shultz promises increased U.S. economic and military involvement in Latin America; he concludes an 8-day Latin American trip.

Feb. 9—White House spokesman Larry Speakes says that U.S. shelling of anti-Gemayel government positions in Lebanon was for "the safety of American and other multinational force personnel in Lebanon." 2 days earlier, Speakes had said that the shelling was protecting the Gemayel government.

Feb. 10—President Reagan names Vice President George Bush to head the U.S. delegation to Soviet President Yuri Andropov's funeral.

Feb. 14—Navy Secretary John F. Lehman acknowledges that the U.S. Navy task force off Lebanon has been firing into Lebanon in support of Lebanese government forces.

President Reagan meets with Jordan's King Hussein and Egypt's President Hosni Mubarak, asking them to aid in negotiations with Israel on the future of the occupied West Bank.

Vice President Bush meets with new Soviet General Secretary Konstantin U. Chernenko; he says they agreed on the necessity "to place our relationship upon a more constructive path."

Feb. 17—President Reagan sends legislation to Congress calling for an increase in military aid to El Salvador in fiscal 1985 of 4 times the current figure; this would amount to an annual total of some \$243 million.

Feb. 18—John E. Mroz, president of the Institute for East-West Security Studies, says that he acted as a secret U.S. intermediary when the U.S. held secret meetings with Palestine Liberation Organization (PLO) head Yasir Arafat over a 9-month period; the official U.S. position since 1975 has been not to negotiate with the PLO until it recognizes Israel's right to exist.

Feb. 19—White House National Security Adviser Robert McFarlane says that President Reagan did not know of the secret U.S. negotiations with Arafat from August, 1981, to May, 1982.

Feb. 22—At a news conference, President Reagan says that under certain circumstances, the Marines might return to Lebanon.

Feb. 23—The State Department announces that the U.S. will set up a mission in Windhoek, Namibia (South-West Africa), to monitor the withdrawal of South African and Angolan forces from border areas and to promote a cease-fire between the two forces.

Feb. 27—State Department sources report that the U.S. has stopped trying to formulate a plan for a political settlement in Lebanon.

Feb. 28—The Defense Department reveals that on February 26 the destroyer U.S.S. *Lawrence* fired warning shots across the bow of an unidentified vessel that approached it too

closely in the area of the Straits of Hormuz.

According to administration sources in Washington, D.C., last week the U.S. turned down a request by Lebanon's President Amin Gemayel for increased military support.

Feb. 29—Iran calls the presence and actions of U.S. warships in the Persian Gulf "an act of aggression and blackmail."

Military

Feb. 8—The Defense Department says that the officers of the Marine detachment at the Beirut Airport who were in command when 241 Marines were killed in a terrorist attack will receive "appropriate administrative letters" of a "nonpunitive" nature.

Feb. 15—An underground nuclear test explosion in Nevada causes a cave-in that injures at least 12 scientists and engineers.

Politics

Feb. 20—Walter Mondale, contender for the Democratic presidential nomination, wins the Iowa Democratic presidential caucus by a large margin.

Feb. 28—Gary Hart wins the New Hampshire Democratic presidential primary with 41 percent of the vote; Walter Mondale wins 2d place.

Feb. 29—Senator Alan Cranston (D., Cal.) withdraws as a Democratic presidential contender.

Science and Space

Feb. 11—The *Challenger* space shuttle ends an 8-day flight, landing for the first time at its launching site at Cape Canaveral.

Supreme Court

Feb. 22—In a 5-4 ruling, the Supreme Court votes that, once a company files for bankruptcy under Chapter 11 of the Bankruptcy Code, it may unilaterally breach its collective bargaining agreements with its labor unions; voting unanimously in another section of the 2-part decision, the Court says that the bankruptcy court may release a company from its union contracts without proof that the company faces bankruptcy because of these contracts.

Feb. 27—The Supreme Court turns down without comment a New York City appeal of a lower court decision ordering New York to abide by a U.S. Department of Transportation regulation allowing trucks carrying nuclear waste to use the city's roadways; New York imposed a ban on such traffic in 1976.

Feb. 28—The Supreme Court rules 6 to 3 that Title IX of the Education Amendments of 1972 barring sex discrimination in schools and colleges does not apply to all programs in an institution if some of its programs receive federal funds; federal funds may not be granted to a department or program that discriminates on the basis of sex.

VATICAN

(See *Italy*)

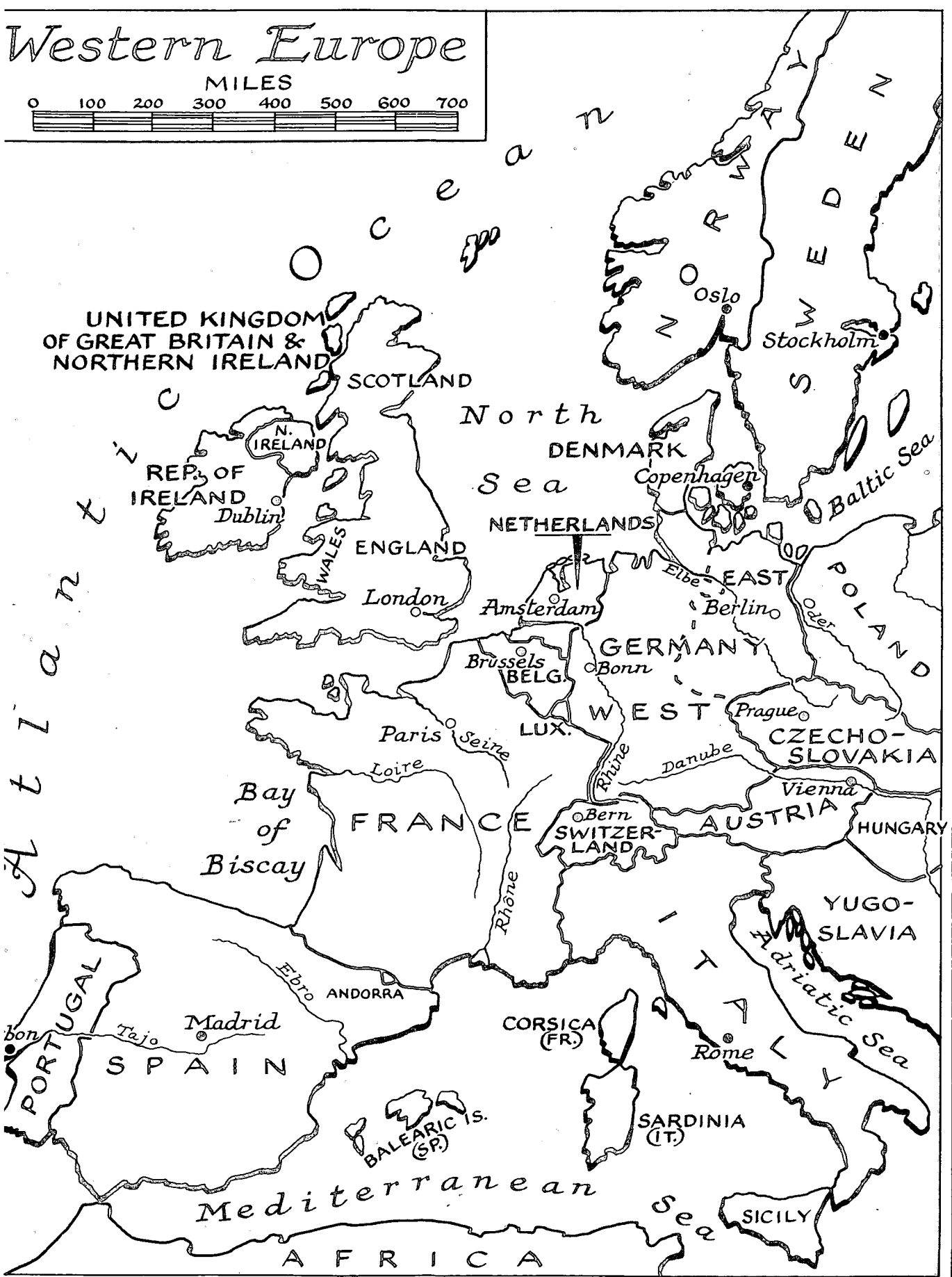
VENEZUELA

Feb. 2—Jaime Lusinchi is inaugurated President.

ZIMBABWE

Feb. 25—Government officials say that at least 100,000 Mozambicans have entered northern and eastern Zimbabwe in the last few months; many refugees are starving because of a severe drought. ■

Western Europe



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